

December 10, 2010

VIA FEDERAL EXPRESS

Jeff R. DeRouen
Executive Director
Kentucky Public Service Commission
P.O. Box 615
211 Sower Blvd.
Frankfort, KY 40602-0615

Re: Case No. 2010-00468

RECEIVED

DEC 13 2010

**PUBLIC SERVICE
COMMISSION**

Dear Mr. DeRouen:

Enclosed please find for filing a Petition for Confidential Protection submitted by Navitas KY NG, LLC in the above-referenced case. One copy has the portion for which confidential protection is sought highlighted, and the other ten (10) copies have those portions redacted.

Thank you and please do not hesitate to contact me if you have any questions.

Very truly yours,

WYATT, TARRANT & COMBS, LLP



Frank F. Chuppe

FFC/mw
Enclosures

cc: Mary Kathryn Kunc
Klint Alexander

20335054 1

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:)
)
THE JOINT APPLICATION OF NAVITAS)
KY NG, LLC AND GASCO)
DISTRIBUTION SYSTEMS, INC. FOR)
APPROVAL OF AN ACQUISITION OF)
OWNERSHIP AND CONTROL OF GAS)
UTILITY SYSTEMS)

Case No. 2010-00468

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**PUBLIC SERVICE
COMMISSION**

PETITION FOR CONFIDENTIAL PROTECTION

COMES NOW, Joint Applicant Navitas KY NG, LLC (“Navitas”), by and through counsel, and petitions the Kentucky Public Service Commission ("Commission") pursuant to 807 KAR 5:001 Section 7 to grant confidential protection to certain information relating to the Applicants' Joint Application filed herein on December 2, 2010.

In support of this petition, Navitas state as follows:

1. On December 2, 2010, the Joint Applicants filed a Joint Application with the Commission pursuant to KRS 278.020(5) and (6) seeking an Order from the Commission for approval of the acquisition of ownership and control of a certain gas utility system from Gasco to Navitas in Albany, Clinton County, Kentucky.

2. Certain attachments provided along with the Joint Application contain confidential commercial and proprietary information. In order to receive the necessary regulatory approvals, Navitas requests that a Confidentiality Agreement be entered into to protect the confidentiality of this information. This information is not publicly disseminated, and public disclosure of the information would harm Navitas. More specifically, this includes sensitive financial information about Navitas, the public disclosure of which would be harmful to Navitas.

3. Under KRS 61.878(1)(c), commercial information, generally recognized as confidential, is protected if disclosure would cause competitive injury and permit competitors an unfair commercial advantage. Public disclosure of this information may cause competitive injury to each of the Joint Applicants and cause a lessening of competition in a subsequent bidding process in the event the Commission denies the Joint Application or the proposed acquisition otherwise fails to close.

4. In addition, KRS 61.878(m) exempts the disclosure of records that would have a reasonable likelihood of threatening the public safety by exposing a vulnerability in preventing, protecting against, mitigating, or responding to a terrorist act, including:

Infrastructure records that expose a vulnerability referred to in this subparagraph through the disclosure of the location, configuration, or security of critical systems including public utility systems. These critical systems shall include but not be limited to information, technology, communication, electrical, fire suppression, ventilation, water, waste water, sewage and gas systems. KRS 61.878(m)1.f.

The information for which this Petition seeks confidential protection includes information about the location of components of the utility's gas system that is protected under the above quoted portion of KRS 61.878.

5. The attachments to the Joint Application which contain confidential information are:

- (a) The Navitas companies are comprised of two sister entities, Navitas Utility Corporation ("NUC") and Navitas Assets, LLC ("NALLC") which is the parent company of Navitas TN NG, LLC. NALLC is a holding company created to retain certain energy assets. NUC is an operating entity primarily engaged in providing necessary support services for the operations of NALLC. NALLC and NUC's financial information is required for the Joint Application and neither are publicly held companies. Therefore, its 2009 Federal and State Income Tax Returns and Independent Auditor's Report are confidential which are identified in the Joint Application as Exhibit "I".

- (b) Information relating to the utility system confidential under KRS 61.878(m)1(f) contained in the Amendment to the Asset Purchase Agreement which is identified in the Joint Application as Exhibit "B".

6. This information is treated as confidential by Navitas, and is not widely disseminated even among Navitas' employees. Only personnel with a business reason to use this confidential information are permitted to view it.

7. If the Commission disagrees with the Joint Applicants that this information is exempt from disclosure as confidential commercial information, however, it must hold an evidentiary hearing to protect the due process rights of the Joint Applicants and supply the Commission with a complete record to enable it to reach a decision with regard to this matter.

8. Navitas does not object to disclosure of the confidential information, pursuant to a protective agreement, to intervenors with a legitimate interest in reviewing the confidential information for the purpose of commenting on the Joint Application.

9. In accordance with the provisions of 807 KAR 5:001(7), the Joint Applicants filed with the Commission the confidential information provided as part of their Joint Application filed under separate seal.

WHEREFORE, Navitas KY NG, LLC respectfully requests that the Commission grant confidential protection for the information at issue, or schedule an evidentiary hearing on all factual issues while maintaining the confidentiality of the information pending the outcome of the hearing.

Dated this the 10th day of December, 2010.

Respectfully Submitted,

Klint W. Alexander (#20420)
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Nashville, TN 37203
(615) 244-0020
kalexander@wyattfirm.com



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- and -

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Counsel for Navitas Assets, L.L.C.

CERTIFICATE OF SERVICE

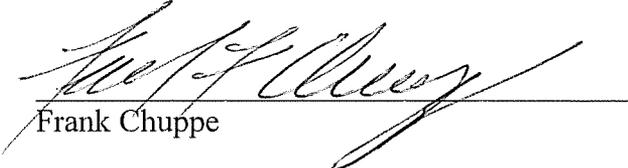
The undersigned hereby certifies that on the 10th day of December, 2010, a true and correct copy of the foregoing instrument was deposited in the United States Mail, with postage prepaid, and addressed to the following:

Jack Conway, Esq.
Office of the Attorney General
Capitol Suite 118
700 Capitol Avenue
Frankfort, Kentucky 40601-3449

Helen Helton, Esq.
Anita Mitchell, Esq.
Division of General Counsel
Public Service Commission
Commonwealth of Kentucky
211 Sower Blvd.
PO Box 615
Frankfort, Kentucky 40601

Richard Collier, Esq.
General Counsel
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Fred Steele, President
Gasco Distribution Systems, Inc.
4445 East Pike
Zanesville, Ohio 43701


Frank Chuppe

**REDACTED
CONFIDENTIAL MATERIAL**

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COMMISSION**

NAVITAS ASSETS, LLC

COPY

	2009	2008	DIFF
TRADE OR BUSINESS INCOME			
GROSS RECEIPTS LESS RETURNS	[REDACTED]	[REDACTED]	[REDACTED]
COST OF GOODS SOLD	[REDACTED]	[REDACTED]	[REDACTED]
GROSS PROFIT	[REDACTED]	[REDACTED]	[REDACTED]
OTHER INCOME (LOSS)	[REDACTED]	[REDACTED]	[REDACTED]
TOTAL INCOME (LOSS)	[REDACTED]	[REDACTED]	[REDACTED]
TRADE OR BUSINESS DEDUCTIONS			
BAD DEBTS	[REDACTED]	[REDACTED]	[REDACTED]
TAXES AND LICENSES	[REDACTED]	[REDACTED]	[REDACTED]
INTEREST	[REDACTED]	[REDACTED]	[REDACTED]
DEPRECIATION	[REDACTED]	[REDACTED]	[REDACTED]
OTHER DEDUCTIONS	[REDACTED]	[REDACTED]	[REDACTED]
TOTAL DEDUCTIONS	[REDACTED]	[REDACTED]	[REDACTED]
SCHEDULE K - INCOME			
ORDINARY BUSINESS INCOME (LOSS)	[REDACTED]	[REDACTED]	[REDACTED]
INTEREST INCOME	[REDACTED]	[REDACTED]	[REDACTED]
SCHEDULE K - ALTERNATIVE MINIMUM TAX ITEMS			
POST-1986 DEPRECIATION ADJUSTMENT	[REDACTED]	[REDACTED]	[REDACTED]
SCHEDULE K - OTHER			
DISTRIBUTIONS OF CASH & MARKETABLE SEC. INVESTMENT INCOME	[REDACTED]	[REDACTED]	[REDACTED]
SCHEDULE L - BALANCE SHEET			
BEGINNING ASSETS	[REDACTED]	[REDACTED]	[REDACTED]
BEGINNING LIABILITIES AND CAPITAL	[REDACTED]	[REDACTED]	[REDACTED]
ENDING ASSETS	[REDACTED]	[REDACTED]	[REDACTED]
ENDING LIABILITIES AND CAPITAL	[REDACTED]	[REDACTED]	[REDACTED]

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NAVITAS ASSETS, LLC



	2009	2008	DIFF
OKLAHOMA ORDINARY INCOME			
GROSS RECEIPTS LESS RETURNS/ALLOWANCES	[REDACTED]	[REDACTED]	[REDACTED]
COST OF GOODS SOLD AND/OR OPERATIONS	[REDACTED]	[REDACTED]	[REDACTED]
GROSS PROFIT	[REDACTED]	[REDACTED]	[REDACTED]
OTHER INCOME (LOSS)	[REDACTED]	[REDACTED]	[REDACTED]
TOTAL INCOME (LOSS)	[REDACTED]	[REDACTED]	[REDACTED]
BAD DEBTS	[REDACTED]	[REDACTED]	[REDACTED]
TAXES AND LICENSES	[REDACTED]	[REDACTED]	[REDACTED]
INTEREST	[REDACTED]	[REDACTED]	[REDACTED]
DEPRECIATION	[REDACTED]	[REDACTED]	[REDACTED]
OTHER DEDUCTIONS	[REDACTED]	[REDACTED]	[REDACTED]
TOTAL DEDUCTIONS	[REDACTED]	[REDACTED]	[REDACTED]
ORD. INC. (LOSS) FROM TRADE OR BUSINESS	[REDACTED]	[REDACTED]	[REDACTED]
DISTRIBUTIVE SHARE ITEMS			
ORD. INC. (LOSS) FROM TRADE OR BUSINESS	[REDACTED]	[REDACTED]	[REDACTED]
INT. ON LOANS, NOTES, MORTGAGES, BONDS	[REDACTED]	[REDACTED]	[REDACTED]
TOTAL INCOME (LOSS)	[REDACTED]	[REDACTED]	[REDACTED]
NET OKLAHOMA DISTRIBUTIVE INCOME	[REDACTED]	[REDACTED]	[REDACTED]

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SCHEDULE K-1 ALLOCATION SUMMARY

NAVITAS ASSETS, LLC

PTR# NAME

- 1 NAVITAS UTILITY CORPORATION
- 2 RICHARD YARNER
- 3 THOMAS HARTLINE

LINE	ITEM	TOTAL ON SCHEDULE K	PARTNER 1	PARTNER 2	PARTNER 3
L	PROFIT SHARING ALLOC. PERCENTAGE				
L	LOSS SHARING ALLOC. PERCENTAGE				
1	ORDINARY BUSINESS INCOME (LOSS)				
5	INTEREST INCOME				
17	POST-1986 DEPRECIATION ADJUSTME				
19	DISTRIBUTIONS OF CASH & MARKET				
20	INVESTMENT INCOME				

TOTAL ON SCHEDULE K	PARTNER 1	PARTNER 2	PARTNER 3
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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Schedule A Cost of Goods Sold (see the instructions)

1 Inventory at beginning of year	1	
2 Purchases less cost of items withdrawn for personal use	2	
3 Cost of labor	3	
4 Additional section 263A costs (attach statement)	4	
5 Other costs (attach statement)	5	SEE STATEMENT 4
6 Total. Add lines 1 through 5	6	
7 Inventory at end of year	7	
8 Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2.	8	

9a Check all methods used for valuing closing inventory:

- (i) Cost as described in Regulations section 1.471-3
- (ii) Lower of cost or market as described in Regulations section 1.471-4
- (iii) Other (specify method used and attach explanation) _____

- b** Check this box if there was a writedown of 'subnormal' goods as described in Regulations section 1.471-2(c) Yes No
 - c** Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970). Yes No
 - d** Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? Yes No
 - e** Was there any change in determining quantities, cost, or valuations between opening and closing inventory? Yes No
- If 'Yes,' attach explanation.

Schedule B Other Information

- 1** What type of entity is filing this return? Check the applicable box:
- | | | | | |
|---|--|--|-----|----|
| a <input type="checkbox"/> Domestic general partnership | b <input type="checkbox"/> Domestic limited partnership | | Yes | No |
| c <input checked="" type="checkbox"/> Domestic limited liability company | d <input type="checkbox"/> Domestic limited liability partnership | | X | |
| e <input type="checkbox"/> Foreign partnership | f <input type="checkbox"/> Other | | | |
- 2** At any time during the tax year, was any partner in the partnership a disregarded entity, a partnership (including an entity treated as a partnership), a trust, an S corporation, an estate (other than an estate of a deceased partner), or a nominee or similar person? Yes No
- 3** At the end of the tax year:
- a** Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If 'Yes,' attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership. Yes No
- b** Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If 'Yes,' attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership. Yes No
- 4** At the end of the tax year, did the partnership:
- a** Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If 'Yes,' complete (i) through (iv) below. Yes No

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

- b** Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If 'Yes,' complete (i) through (v) below. Yes No

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

Form **1065**

U.S. Return of Partnership Income
For calendar year 2009, or tax year beginning _____, 2009,
ending _____, 20_____
▶ See separate instructions.

OMB No. 1545-0099

2009

Department of the Treasury
Internal Revenue Service

Principal business activity
TRANSMISSION
B Principal product or service
NATURAL GAS
C Business code number
221210

Use the
IRS
label.
Other-
wise,
print
or type.

NAVITAS ASSETS, LLC
18218 EAST MCDURMOTT, SUITE I
IRVINE, CA 92614

D Employer identification number
[REDACTED]

E Date business started
6/01/2007

F Total assets (see instrs)
\$ [REDACTED]

G Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return

(6) Technical termination - also check (1) or (2)

H Check accounting method: (1) Cash (2) Accrual (3) Other (specify) _____

I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year _____ **3**

J Check if Schedules C and M-3 are attached _____

Caution. Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

INCOME	1a Gross receipts or sales	1a	[REDACTED]	1c	[REDACTED]
	b Less returns and allowances	1b	[REDACTED]	1c	[REDACTED]
	2 Cost of goods sold (Schedule A, line 8)	2	[REDACTED]	2	[REDACTED]
	3 Gross profit. Subtract line 2 from line 1c	3	[REDACTED]	3	[REDACTED]
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)	4		4	
	5 Net farm profit (loss) (attach Schedule F (Form 1040))	5		5	
	6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)	6		6	
	7 Other income (loss) (attach statement)	7	SEE STATEMENT 1	7	[REDACTED]
8 Total income (loss). Combine lines 3 through 7	8		8	[REDACTED]	
DEDUCTIONS FOR LIMITATIONS	9 Salaries and wages (other than to partners) (less employment credits)	9		9	
	10 Guaranteed payments to partners	10		10	
	11 Repairs and maintenance	11		11	
	12 Bad debts	12		12	[REDACTED]
	13 Rent	13		13	[REDACTED]
	14 Taxes and licenses	14	SEE STATEMENT 2	14	[REDACTED]
	15 Interest	15		15	[REDACTED]
	16a Depreciation (if required, attach Form 4562)	16a	[REDACTED]	16c	[REDACTED]
	b Less depreciation reported on Schedule A and elsewhere on return	16b	[REDACTED]	16c	[REDACTED]
	17 Depletion (Do not deduct oil and gas depletion.)	17		17	
	18 Retirement plans, etc	18		18	
	19 Employee benefit programs	19		19	
	20 Other deductions (attach statement)	20	SEE STATEMENT 3	20	[REDACTED]
	21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20	21		21	[REDACTED]
22 Ordinary business income (loss). Subtract line 21 from line 8	22		22	[REDACTED]	

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, this return and the information furnished hereon are true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member manager) is based on all information of which preparer has any knowledge.

Signature of general partner or limited liability company member manager _____

Date _____

May the IRS discuss this return with the preparer shown below (see instrs)?

Yes No

Paid Preparer's Use Only

Preparer's signature **Alan Behrens CPA** Date **9-13-10**
Firm's name (or yours if self-employed), address, and ZIP code
HBC CPAS & ADVISORS
1401 HEALTH CENTER PKWY
YUKON, OK 73099-6492

Check if self-employed

Preparer's SSN or PTIN [REDACTED]

EIN [REDACTED]
Phone no. **(405) 848-7797**

BAA For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

PTPA0105L 06/24/09

Form 1065 (2009)

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	Yes	No
5 Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6 Does this partnership satisfy all four of the following conditions? a The partnership's total receipts for the tax year were less than \$250,000. b The partnership's total assets at the end of the tax year were less than \$1 million. c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return. d The partnership is not filing and is not required to file Schedule M-3. If 'Yes,' the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8 During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10 At any time during calendar year 2009, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If 'Yes,' enter the name of the foreign country.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
11 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If 'Yes,' the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
12a Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding section 754 election.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If 'Yes,' attach a statement showing the computation and allocation of the basis adjustment. See instructions.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If 'Yes,' attach a statement showing the computation and allocation of the basis adjustment. See instructions.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
13 Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than entities wholly-owned by the partnership throughout the tax year).	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
14 At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in a partnership property?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
15 If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See instructions.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
16 Does the partnership have any foreign partners? If 'Yes,' enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
17 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return.	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Designation of Tax Matters Partner (see the instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ▶ THOMAS HARTLINE	Identifying number of TMP ▶ [REDACTED]
If the TMP is an entity, name of TMP representative ▶	Phone number of TMP ▶
Address of designated TMP ▶ 18218 EAST MCDURMMOTT SUITE I IRVINE, CA 92614	

	Partners' Distributive Share Items		Total amount
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1	[REDACTED]
	2 Net rental real estate income (loss) (attach Form 8825)	2	[REDACTED]
	3a Other gross rental income (loss)	3a	[REDACTED]
	b Expenses from other rental activities (attach stmt)	3b	[REDACTED]
	c Other net rental income (loss). Subtract line 3b from line 3a	3c	[REDACTED]
	4 Guaranteed payments	4	[REDACTED]
	5 Interest income	5	[REDACTED]
	6 Dividends: a Ordinary dividends	6a	[REDACTED]
	b Qualified dividends	6b	[REDACTED]
	7 Royalties	7	[REDACTED]
	8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8	[REDACTED]
Income (Loss)	9a Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a	[REDACTED]
	b Collectibles (28%) gain (loss)	9b	[REDACTED]
	c Unrecaptured section 1250 gain (attach statement)	9c	[REDACTED]
	10 Net section 1231 gain (loss) (attach Form 4797)	10	[REDACTED]
	11 Other income (loss) (see instructions) Type ▶	11	[REDACTED]
Deductions	12 Section 179 deduction (attach Form 4562)	12	[REDACTED]
	13a Contributions	13a	[REDACTED]
	b Investment interest expense	13b	[REDACTED]
	c Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶	13c (2)	[REDACTED]
	d Other deductions (see instructions) Type ▶	13d	[REDACTED]
Self-Employment	14a Net earnings (loss) from self-employment	14a	[REDACTED]
	b Gross farming or fishing income	14b	[REDACTED]
	c Gross nonfarm income	14c	[REDACTED]
Credits	15a Low-income housing credit (section 42(j)(5))	15a	[REDACTED]
	b Low-income housing credit (other)	15b	[REDACTED]
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	15c	[REDACTED]
	d Other rental real estate credits (see instructions) Type ▶	15d	[REDACTED]
	e Other rental credits (see instructions) Type ▶	15e	[REDACTED]
	f Other credits (see instructions) Type ▶	15f	[REDACTED]
Foreign Transactions	16a Name of country or U.S. possession ▶	16a	[REDACTED]
	b Gross income from all sources	16b	[REDACTED]
	c Gross income sourced at partner level	16c	[REDACTED]
	Foreign gross income sourced at partnership level	16d	[REDACTED]
	d Passive category ▶ e General category ▶ f Other ▶	16e	[REDACTED]
	Deductions allocated and apportioned at partner level	16f	[REDACTED]
	g Interest expense ▶ h Other ▶	16g	[REDACTED]
	Deductions allocated and apportioned at partnership level to foreign source income	16h	[REDACTED]
	i Passive category ▶ j General category ▶ k Other ▶	16i	[REDACTED]
	l Total foreign taxes (check one): ▶ Paid <input type="checkbox"/> Accrued <input type="checkbox"/> k Other ▶	16j	[REDACTED]
m Reduction in taxes available for credit (attach statement)	16k	[REDACTED]	
n Other foreign tax information (attach statement)	16l	[REDACTED]	
Alternative Minimum Tax (AMT) Items	17a Post-1986 depreciation adjustment	17a	[REDACTED]
	b Adjusted gain or loss	17b	[REDACTED]
	c Depletion (other than oil and gas)	17c	[REDACTED]
	d Oil, gas, and geothermal properties – gross income	17d	[REDACTED]
	e Oil, gas, and geothermal properties – deductions	17e	[REDACTED]
	f Other AMT items (attach stmt)	17f	[REDACTED]
Other Information	18a Tax-exempt interest income	18a	[REDACTED]
	b Other tax-exempt income	18b	[REDACTED]
	c Nondeductible expenses	18c	[REDACTED]
	19a Distributions of cash and marketable securities	19a	[REDACTED]
	b Distributions of other property	19b	[REDACTED]
	20a Investment income	20a	[REDACTED]
b Investment expenses	20b	[REDACTED]	
	c Other items and amounts (attach stmt)	20c	[REDACTED]

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Analysis of Net Income (Loss)

1 Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16l.						
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other
a General partners						
b Limited partners						

Schedule L-1 Balance Sheets per Books	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash				
2a Trade notes and accounts receivable				
b Less allowance for bad debts				
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (attach stmt) SEE ST 5				
7 Mortgage and real estate loans				
8 Other investments (attach stmt)				
9a Buildings and other depreciable assets				
b Less accumulated depreciation				
10a Depletable assets				
b Less accumulated depletion				
11 Land (net of any amortization)				
12a Intangible assets (amortizable only)				
b Less accumulated amortization				
13 Other assets (attach stmt)				
14 Total assets				
Liabilities and Capital				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach stmt) SEE ST 6				
18 All nonrecourse loans				
19 Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities (attach stmt)				
21 Partners' capital accounts				
22 Total liabilities and capital				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return
 Note. Schedule M-3 may be required instead of Schedule M-1 (see instructions).

1 Net income (loss) per books		6 Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):
2 Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize): SEE STATEMENT 7		a Tax-exempt interest \$ STATEMENT 9
3 Guaranteed pmts (other than health insurance)		7 Deductions included on Schedule K, lines 1 through 13d, and 16l, not charged against book income this year (itemize):
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16l (itemize):		a Depreciation \$ STATEMENT 10
a Depreciation \$		8 Add lines 6 and 7
b Travel and entertainment \$ STATEMENT 8		9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5
5 Add lines 1 through 4		

Schedule M-2 Analysis of Partners' Capital Accounts

1 Balance at beginning of year		6 Distributions: a Cash
2 Capital contributed: a Cash		b Property
b Property		7 Other decreases (itemize):
3 Net income (loss) per books		
4 Other increases (itemize):		8 Add lines 6 and 7
5 Add lines 1 through 4		9 Balance at end of year. Subtract line 8 from line 5

Information on Partners Owning 50% or More of the Partnership

OMB No 1545-0099

▶ Attach to Form 1065. See instructions.

Name of partnership

NAVITAS ASSETS, LLC

Employer identification number (EIN)

[REDACTED]

Part II Entities Owning 50% or More of the Partnership (Form 1065, Schedule B, Question 3a)

Complete columns (i) through (v) below for any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

Part III Individuals or Estates Owning 50% or More of the Partnership (Form 1065, Schedule B, Question 3b)

Complete columns (i) through (iv) below for any individual or estate that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Individual or Estate	(ii) Identifying Number (if any)	(iii) Country of Citizenship (see instructions)	(v) Maximum Percentage Owned in Profit, Loss, or Capital
RICHARD VARNER	[REDACTED]	UNITED STATES	[REDACTED]

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Schedule K-1
(Form 1065)

2009

Department of the Treasury
Internal Revenue Service

For calendar year 2009, or tax
year beginning _____, 2009
ending _____

Final K-1

Amended K-1

651109
OMB No. 1545-0099

Partner's Share of Income, Deductions,
Credits, etc.

See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
[REDACTED]

B Partnership's name, address, city, state, and ZIP code
NAVITAS ASSETS, LLC
18218 EAST MCDURMMOTT, SUITE I
IRVINE, CA 92614

C IRS Center where partnership filed return
OGDEN, UT

D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number
[REDACTED]

F Partner's name, address, city, state, and ZIP code
NAVITAS UTILITY CORPORATION
18218 EAST MCDURMMOTT, SUITE I
IRVINE, CA 92614

G General partner or LLC member-manager Limited partner or other LLC member

H Domestic partner Foreign partner

I What type of entity is this partner? S CORPORATION

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	[REDACTED]	[REDACTED]
Loss	[REDACTED]	[REDACTED]
Capital	[REDACTED]	[REDACTED]

K Partner's share of liabilities at year end:

Nonrecourse \$ _____

Qualified nonrecourse financing \$ _____

Recourse \$ _____

L Partner's capital account analysis:

Beginning capital account \$ [REDACTED]

Capital contributed during the year \$ [REDACTED]

Current year increase (decrease) \$ [REDACTED]

Withdrawals and distributions \$ [REDACTED]

Ending capital account \$ [REDACTED]

Tax basis GAAP Section 704(b) book
 Other (explain)

M Did the partner contribute property with a built-in gain or loss?
 Yes No
If "Yes", attach statement (see instructions)

Partner's Share of Current Year Income, Deductions, Credits, and Other Items			
1	Ordinary business income (loss)	15	Credits
2	Net rental real estate income (loss)		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
5	Interest income	31	
6a	Ordinary dividends		
6b	Qualified dividends		
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
9b	Collectibles (28%) gain (loss)	A	[REDACTED]
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
11	Other income (loss)		
12	Section 179 deduction		
13	Other deductions		
		19	Distributions
		20	Other information
		A	[REDACTED]
14	Self-employment earnings (loss)		

*See attached statement for additional information.

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SUPPLEMENTAL INFORMATION

CAPITAL ACCOUNT - TAX BASIS:

BEGINNING CAPITAL [REDACTED]

CAPITAL CONTRIBUTED [REDACTED]

CURRENT YEAR INC (DEC) [REDACTED]

ENDING CAPITAL [REDACTED]

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Schedule K-1
(Form 1065)

2009

Final K-1

Amended K-1

651109

OMB No. 1545-0099

Department of the Treasury
Internal Revenue Service

For calendar year 2009, or tax
year beginning _____, 2009
ending _____

Partner's Share of Income, Deductions, Credits, etc.
▶ See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
[REDACTED]

B Partnership's name, address, city, state, and ZIP code
NAVITAS ASSETS, LLC
18218 EAST MCDURMMOTT, SUITE I
IRVINE, CA 92614

C IRS Center where partnership filed return
OGDEN, UT

D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number
[REDACTED]

F Partner's name, address, city, state, and ZIP code
RICHARD VARNER
18218 EAST MCDURMMOTT, SUITE I
IRVINE, CA 92614

G General partner or LLC member-manager Limited partner or other LLC member

H Domestic partner Foreign partner

I What type of entity is this partner? INDIVIDUAL

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	[REDACTED]	[REDACTED]
Loss	[REDACTED]	[REDACTED]
Capital	[REDACTED]	[REDACTED]

K Partner's share of liabilities at year end:

Nonrecourse \$ _____

Qualified nonrecourse financing \$ _____

Recourse \$ _____

L Partner's capital account analysis:

Beginning capital account \$ [REDACTED]

Capital contributed during the year \$ [REDACTED]

Current year increase (decrease) \$ [REDACTED]

Withdrawals and distributions \$ [REDACTED]

Ending capital account \$ [REDACTED]

Tax basis GAAP Section 704(b) book
 Other (explain)

M Did the partner contribute property with a built-in gain or loss?
 Yes No
If "Yes", attach statement (see instructions)

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	15	Credits
2	Net rental real estate income (loss)		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
5	Interest income		
6a	Ordinary dividends		
6b	Qualified dividends		
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
		A	[REDACTED]
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
11	Other income (loss)		
12	Section 179 deduction		
13	Other deductions		
		19	Distributions
		20	Other information
		A	[REDACTED]
14	Self-employment earnings (loss)		

*See attached statement for additional information.

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SUPPLEMENTAL INFORMATION

CAPITAL ACCOUNT - TAX BASIS:

BEGINNING CAPITAL [REDACTED]

CAPITAL CONTRIBUTED [REDACTED]

CURRENT YEAR INC (DEC) [REDACTED]

ENDING CAPITAL [REDACTED]

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Schedule K-1 (Form 1065)

2009

Final K-1 Amended K-1

Department of the Treasury Internal Revenue Service

For calendar year 2009, or tax year beginning 2009 ending

Partner's Share of Income, Deductions, Credits, etc. See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
B Partnership's name, address, city, state, and ZIP code
NAVITAS ASSETS, LLC
18218 EAST MCDURMOTT, SUITE I
IRVINE, CA 92614
C IRS Center where partnership filed return
OGDEN, UT
D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number
F Partner's name, address, city, state, and ZIP code
THOMAS HARTLINE
18218 EAST MCDURMOTT SUITE I
IRVINE, CA 92614
G General partner or LLC member-manager Limited partner or other LLC member
H Domestic partner Foreign partner
I What type of entity is this partner? INDIVIDUAL
J Partner's share of profit, loss, and capital (see instructions):
Beginning Ending
Profit
Loss
Capital
K Partner's share of liabilities at year end:
Nonrecourse
Qualified nonrecourse financing
Recourse
L Partner's capital account analysis:
Beginning capital account
Capital contributed during the year
Current year increase (decrease)
Withdrawals and distributions
Ending capital account
M Did the partner contribute property with a built-in gain or loss?
Yes No
If 'Yes', attach statement (see instructions)

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

Table with 3 columns: Line number, Description, and Code. Rows include: 1 Ordinary business income (loss) 15 Credits; 2 Net rental real estate income (loss); 3 Other net rental income (loss) 16 Foreign transactions; 4 Guaranteed payments; 5 Interest income 10; 6a Ordinary dividends; 6b Qualified dividends; 7 Royalties; 8 Net short-term capital gain (loss); 9a Net long-term capital gain (loss) 17 A Alternative minimum tax (AMT) items; 9b Collectibles (28%) gain (loss); 9c Unrecaptured section 1250 gain; 10 Net section 1231 gain (loss) 18 Tax-exempt income and nondeductible expenses; 11 Other income (loss); 12 Section 179 deduction; 13 Other deductions; 14 Self-employment earnings (loss); 19 Distributions; 20 Other information.

*See attached statement for additional information.

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SUPPLEMENTAL INFORMATION

CAPITAL ACCOUNT - TAX BASIS:

BEGINNING CAPITAL [REDACTED]

CAPITAL CONTRIBUTED [REDACTED]

CURRENT YEAR INC (DEC) [REDACTED]

DISTRIBUTIONS [REDACTED]

ENDING CAPITAL [REDACTED]

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Depreciation and Amortization (Including Information on Listed Property)

2009

Department of the Treasury Internal Revenue Service (99)

See separate instructions. Attach to your tax return.

Attachment Sequence No. 67

Name(s) shown on return NAVITAS ASSETS, LLC

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Identifying number

Business or activity to which this form relates

FORM 1065

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

Table with 13 rows for Section 179 election. Rows include: 1 Maximum amount, 2 Total cost, 3 Threshold cost, 4 Reduction in limitation, 5 Dollar limitation, 6-13 Description of property, cost, elected cost, listed property, tentative deduction, carryover, business income limitation, section 179 expense deduction, and carryover to 2010.

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

Table with 3 rows for Special Depreciation Allowance and Other Depreciation. Rows include: 14 Special depreciation allowance, 15 Property subject to section 168(f)(1) election, 16 Other depreciation (including ACRS).

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

Table with 2 rows for Section A. Rows include: 17 MACRS deductions for assets placed in service in tax years beginning before 2009, 18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here.

Section B - Assets Placed in Service During 2009 Tax Year Using the General Depreciation System

Table with 7 columns: (a) Classification of property, (b) Month and year placed in service, (c) Basis for depreciation, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction. Rows include 19a-19g (3-year to 25-year property) and h-i (Residential and Nonresidential real property).

Section C - Assets Placed in Service During 2009 Tax Year Using the Alternative Depreciation System

Table with 4 rows for Section C. Rows include: 20a Class life, 20b 12-year, 20c 40-year.

Part IV Summary (See instructions.)

Table with 3 rows for Part IV Summary. Rows include: 21 Listed property, 22 Total, 23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs.

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Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A – Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24 a Do you have evidence to support the business/investment use claimed? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No									24 b If 'Yes,' is the evidence written? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost		
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions).....								25		
26 Property used more than 50% in a qualified business use:										
27 Property used 50% or less in a qualified business use:										
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1.....								28		
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1.....								29	0.	

Section B – Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

30 Total business/investment miles driven during the year (do not include commuting miles)	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
31 Total commuting miles driven during the year.....												
32 Total other personal (noncommuting) miles driven.....												
33 Total miles driven during the year. Add lines 30 through 32.....												
	Yes	No										
34 Was the vehicle available for personal use during off-duty hours?.....												
35 Was the vehicle used primarily by a more than 5% owner or related person?.....												
36 Is another vehicle available for personal use?.....												

Section C – Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?.....		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners.....		
39 Do you treat all use of vehicles by employees as personal use?.....		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?.....		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.).....		

Note: If your answer to 37, 38, 39, 40, or 41 is 'Yes,' do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2009 tax year (see instructions):					
ORGANIZATION COSTS					
STATE CASE EXPENSE					
3 Amortization of costs that began before your 2009 tax year.....					43
44 Total. Add amounts in column (f). See the instructions for where to report.....					44

**Asset Acquisition Statement
Under Section 1060**

Department of the Treasury
Internal Revenue Service

▶ Attach to your income tax return. ▶ See separate instructions.

Attachment
Sequence No. **61**

Name as shown on return

Identifying number as shown on return

NAVITAS ASSETS, LLC

Check the box that identifies you:

Purchaser Seller

Part I General Information

1 Name of other party to the transaction

Other party's identifying number

LEANN GAS COMPANY

Address (number, street, and room or suite no.)

COUNTY ROAD 30, P.O. BOX 420

City or town

State

ZIP code

OCHELATA, OK 74051

2 Date of sale

3/31/09

3 Total sales price (consideration)

Part II Original Statement of Assets Transferred

4 Assets	Aggregate fair market value (actual amount for Class I)	Allocation of sales price
Class I.....	\$	\$
Class II.....	\$	\$
Class III.....	\$	\$
Class IV.....	\$	\$
Class V.....	\$	\$
Classes VI and VII.....	\$	\$
Total.....	\$	\$

5 Did the purchaser and seller provide for an allocation of the sales price in the sales contract or in another written document signed by both parties?

If 'Yes,' are the aggregate fair market values (FMV) listed for each of asset Classes I, II, III, IV, V, VI, and VII the amounts agreed upon in your sales contract or in a separate written document?

6 In the purchase of the group of assets (or stock), did the purchaser also purchase a license or a covenant not to compete, or enter into a lease agreement, employment contract, management contract, or similar arrangement with the seller (or managers, directors, owners, or employees of the seller)?

If 'Yes,' attach a schedule that specifies (a) the type of agreement, and (b) the maximum amount of consideration (not including interest) paid or to be paid under the agreement. See instructions.

BAA For Paperwork Reduction Act Notice, see separate instructions.

Form 8594 (Rev 2-2006)

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Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns

- ▶ File a separate application for each return.
- ▶ See separate instructions.

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Type or Print

Name: NAVITAS ASSETS, LLC
 Identifying number: [REDACTED]
 Number, street, and room or suite number (If P.O. box, see instructions):
 18218 EAST MCDURMMOTT, SUITE I
 City, town, state, and ZIP code (If a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code)):
 IRVINE, CA 92614

File by the due date for the return for which an extension is requested. See instructions.

Note. See instructions before completing this form.

Part I Automatic 5-Month Extension Complete if Filing Form 1065, 1041, or 8804

1a Enter the form code for the return that this application is for (see below) 09

Application Is For:	Form Code	Application Is For:	Form Code
Form 1065	09	Form 1041 (estate)	04
Form 8804	05	Form 1041 (trust)	05

Part II Automatic 6-Month Extension Complete if Filing Other Forms

b Enter the form code for the return that this application is for (see below)

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-FC	21
Form 706-GS(N)	02	Form 1120-POL	22
Form 1041-N	06	Form 1120-REIT	23
Form 1042	08	Form 1120-RIC	24
Form 1066	11	Form 1120-SF	26
Form 1120-C	34	Form 8612	28
Form 1120-F	15	Form 8725	30
Form 1120-FSC	16	Form 8876	33
Form 1120-L	18	Form 8928	36
Form 1120-ND (section 4951 taxes)	20		

- 2 If the organization is a foreign corporation that does not have an office or place of business in the United States, check here
- 3 If the organization is a corporation and is the common parent of a group that intends to file a consolidated return check here

Part III All Filers Must Complete This Part

4 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here

5a The application is for calendar year 20 09, or tax year beginning _____, 20____, and ending _____, 20____

b Short tax year. If this tax year is less than 12 months, check the reason:

- Initial return
- Final return
- Change in accounting period
- Consolidated return to be filed

6 Tentative total tax	6	0.
7 Total payments and credits (see instructions)	7	0.
8 Balance due. Subtract line 7 from line 6. Generally, you must deposit this amount using the Electronic Federal Tax Payment System (EFTPS), a Federal Tax Deposit (FTD) Coupon, or Electronic Funds Withdrawal (EFW) (see instructions for exceptions)	8	0.

2009

FEDERAL STATEMENTS

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PAGE 1

NAVITAS ASSETS, LLC

STATEMENT 1
FORM 1065, LINE 7
OTHER INCOME (LOSS)

OTHER INCOME

TOTAL \$
\$

STATEMENT 2
FORM 1065, LINE 14
TAXES AND LICENSES

PROPERTY TAXES

TOTAL \$
\$

STATEMENT 3
FORM 1065, LINE 20
OTHER DEDUCTIONS

ACCOUNTING

AMORTIZATION

BANK CHARGES

LEGAL AND PROFESSIONAL
LICENSES, PERMITS, MEMBERSHIPS

MISCELLANEOUS

OFFICE EXPENSE

POSTAGE

\$

TOTAL \$

STATEMENT 4
FORM 1065, SCHEDULE A, LINE 5
OTHER COSTS

DIRECT COSTS

TOTAL \$
\$

STATEMENT 5
FORM 1065, SCHEDULE L, LINE 6
OTHER CURRENT ASSETS

LOANS TO MEMBERS

UNDERBILLINGS

	BEGINNING	ENDING
LOANS TO MEMBERS	\$	\$
UNDERBILLINGS	\$	\$
TOTAL	\$	\$

NAVITAS ASSETS, LLC

STATEMENT 6
FORM 1065, SCHEDULE L, LINE 17
OTHER CURRENT LIABILITIES

	BEGINNING	ENDING
CUSTOMER DEPOSITS	\$ 0.	\$ [REDACTED]
LOANS FROM MEMBERS	0	[REDACTED]
OTHER ACCRUALS	[REDACTED]	[REDACTED]
OVERBILLINGS	0.	[REDACTED]
PAYABLE TO AFFILIATES	[REDACTED]	[REDACTED]
TOTAL	\$ [REDACTED]	\$ [REDACTED]

STATEMENT 7
FORM 1065, SCHEDULE M-1, LINE 2
INCOME ON SCHEDULE K NOT ON BOOKS

OVERBILLINGS ADJUSTMENT	\$ [REDACTED]
UNDERBILLINGS ADJUSTMENT	[REDACTED]
TOTAL	\$ [REDACTED]

STATEMENT 8
FORM 1065, SCHEDULE M-1, LINE 4
EXPENSES ON BOOKS NOT ON SCHEDULE K

ACCOUNTS PAYABLE ADJUSTMENT	\$ [REDACTED]
AMORTIZATION	[REDACTED]
TOTAL	\$ [REDACTED]

STATEMENT 9
FORM 1065, SCHEDULE M-1, LINE 6
INCOME ON BOOKS NOT ON SCHEDULE K

ACCOUNTS RECEIVABLE ADJUSTMENT	\$ [REDACTED]
TOTAL	\$ [REDACTED]

STATEMENT 10
FORM 1065, SCHEDULE M-1, LINE 7
EXPENSES ON SCHEDULE K NOT ON BOOKS

ACCRUED EXPENSES ADJUSTMENT	\$ [REDACTED]
TOTAL	\$ [REDACTED]

NAVITAS ASSETS, LLC

ELECTION TO NOT CLAIM ADDITIONAL DEPRECIATION

PURSUANT TO IRC SECTION 168(K) (2) (D) (III), THE TAXPAYER HEREBY ELECTS TO NOT CLAIM THE ADDITIONAL DEPRECIATION DEDUCTION FOR THE FOLLOWING CLASSES OF PROPERTY IN THE TAX YEAR ENDED 12/31/09.

20 YEAR CLASS

ELECTION TO AMORTIZE AND EXPENSE ORGANIZATIONAL EXPENDITURES

PURSUANT TO IRC SECTION 709, THE TAXPAYER HEREBY ELECTS TO AMORTIZE ORGANIZATIONAL EXPENDITURES OVER THE AMORTIZATION PERIOD STATED BELOW, BEGINNING THE MONTH IN WHICH THE EXPENDITURES TOOK PLACE, AND TO EXPENSE IN THE CURRENT YEAR THE AMOUNT STATED BELOW.

AMORTIZATION PERIOD (MONTHS): 180

DATE BUSINESS BEGAN: 6/01/07

DESCRIPTION OF EXPENDITURE: ATTORNEY, ACCOUNTANT AND OTHER COSTS RELATED TO ACQUIRING PROPERTY

DATE PAID OR INCURRED: VARIOUS

AMOUNT TO BE AMORTIZED: [REDACTED]

AMOUNT TO BE EXPENSED: -0-

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OKLAHOMA PARTNERSHIP INCOME TAX RETURN

Form 514 - 2009

This form must be filed on or before the 15th day
of the fourth month after the close of the taxable year.

For the year January 1 - December 31, 2009, or other
taxable year beginning _____, 2009
and ending _____

Amended Return
If this is an Amended
Return check here

**HIGHLY SENSITIVE
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Partnership Name:
NAVITAS ASSETS, LLC
Street Address:
18218 EAST MCDURMOTT, SUITE I
City, State and Zip:
IRVINE, CA 92614
Principal Accounting Records Location: **SAME**
Telephone Number and Area Code:
949-955-2887

Federal I.D. Number: [REDACTED] Business Code Number: [REDACTED]
County in which located: **CADDO**
If this is a final return, please check here:

Important Notice: Page 2, Part 2 of Form 514 must be completed from information contained on Schedule K of the Federal partnership return. The Federal column must be completed before Page 3, Part 4 can be completed. Partnerships other than oil and gas production, mining, rents and farms, doing business in more than one state, should use the three factor formula on Page 3, Part 4.

Enter the number of partners: **3** Note: An Oklahoma return must be filed by all partnerships having Oklahoma source income.
Enter total amount of Oklahoma Net Distributable Income (Part 3, Column B, line 15): [REDACTED]

PART 1: TAX COMPUTATION FOR NONRESIDENT COMPOSITE FILERS ONLY

If there is no composite return being filed, do not complete Part 1.
Complete Part 1 if filing a composite return for your nonresident partners. Any nonresident partner may be included in the composite return, unless the partner has income from an Oklahoma source other than your partnership or the partner is, or is electing to be treated as, a Sub S corporation or partnership. Nonresident partners included in the composite return will not file separate Oklahoma income tax returns. Enclose Form 514-PT: Oklahoma Partnership Composite Income Tax Supplement. The total Oklahoma distributive income (Form 514-PT, Column 10) and the total Oklahoma tax (Form 514-PT, Column 12) are entered below on lines 1 and 2 respectively.

1	Nonresident share of income (514-PT, Column 10)		1	
2	Nonresident Oklahoma tax (514-PT, Column 12)		2	
3	Less: Other Credits form (see instructions) (enclose Form 511CR)	<input type="checkbox"/>	3	
4	Balance of tax due (line 2 less line 3, but not less than zero)		4	
5	2009 Oklahoma estimated tax payments (from Form OW-8-ESC only)	5		
6	Amount paid with extension request	6		
7	Oklahoma withholding (enclose Forms 1099, 500A, 500B, etc.)	7		
8	Total payments (add lines 5, 6 and 7)		8	
9	Overpayment (line 8 minus line 4)		9	
10	Amount of line 9 to be credited on 2010 estimated tax	10		
11	Amount of line 9 to be refunded to you (line 9 minus line 10)		11	Refund <input type="checkbox"/>

Want a Faster Return?
Elect to have your refund directly deposited into your checking or savings account. Only one refund can be deposited per account per tax season. For more information, see instructions.

Is this refund going to or through an account that is outside of the United States? Yes No
(See instructions to see if you qualify for Direct Deposit)
Deposit my refund in my: checking account savings account
Routing Number: _____
Account Number: _____

12	Tax Due (line 4 minus line 8)	Tax Due	12	
13	Underpayment of estimated tax interest (enclose Form OW-8-P)		13	
14	For delinquent payment: Add penalty of 5% \$ _____ plus interest of 1.25% per month \$ _____		14	
15	Total tax, penalty and interest (add lines 12, 13 and 14)	Balance Due	15	

If the Oklahoma Tax Commission may discuss this return with your tax preparer, please check here

Under penalties of perjury, I declare that I have examined this return, including any accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete. If prepared by person other than the taxpayer, this declaration is based on all information of which preparer has any knowledge.

Signature of partner or member	Date	Signature of preparer	Date
		<i>Alan Behrens CPA</i>	9-13-10
Printed name		Printed name	
		HBC CPAS & ADVISORS	
Title		Preparer's address	Phone number
MEMBER		1401 HEALTH CENTER PKWY YUKON, OK 73099-6492	(405) 848-7797

The Oklahoma Tax Commission is not required to give actual notice to taxpayers of changes in any state tax law.
Note: Enclose a copy of your Federal Form 1065 or 1065-B.

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NAVITAS ASSETS, LLC

PART 2: ORDINARY INCOME FROM TRADE OR BUSINESS

		Column A As reported on Fed Return	Column B Total applicable to Oklahoma
CAUTION: Include only trade or business income and expenses on lines 1a through 21 below.			
1	a Gross receipts or sales \$		
2	b Minus returns and allowances \$		
3	Cost of goods sold and/or operations		
4	Gross profit (subtract line 2 from line 1)		
5	Ordinary income (loss) from other partnerships and fiduciaries (enclose schedule)		
6	Net farm profit (loss) (enclose Schedule F, Form 1040)		
7	Net gain (loss) (Form 4797, line 18)		
8	Other income (loss) (enclose schedule) SEE STATEMENT 1		
9	Total income (loss) (add lines 3 through 7)		
10	Salaries and wages (other than to partners)		
11	Guaranteed payments to partners		
12	Repairs and maintenance		
13	Bad debts		
14	Rent		
15	Taxes and licenses		
16	Interest		
17	Depreciation		
18	Depletion (do not deduct oil and gas depletion)		
19	Retirement plans, etc		
20	Employee benefit program		
21	Other deductions (enclose schedule) SEE STATEMENT 2		
22	Total deductions (add lines 9 through 20)		
23	Ordinary Income (Loss) from trade or business:		
24	Subtract line 21 from line 8		

PART 3: DISTRIBUTIVE SHARE ITEMS

		Column A As reported on Fed Return	Column B Total applicable to Oklahoma
1	Ordinary income (loss) from trade or business activity(ies) (Part 2, Line 22)		
2	Net income (loss) from rental real estate activity(ies)(enclose schedule)		
3	Net income (loss) from other rental activity(ies)(enclose schedule)		
Portfolio income (loss):			
4 a	Interest on loans, notes, mortgages, bonds, etc		
4 b	Interest on obligations of a State or political subdivision		
4 c	Interest on obligations of the United States		
4 d	Other interest income		
4 e	Dividend income		
4 f	Royalty income (patent or copyright)		
4 g	Net short-term capital gain (loss)		
4 h	Net long-term capital gain (loss)		
4 i	Other portfolio income (loss)(enclose schedule)		
5	Net gain (loss) under Section 1231 (Other than due to casualty or theft)		
6	Other (enclose schedule)		
7	Total income (Add Lines 1 through 6)		
Deductions:			
8	Contributions		
9	Expense deductions for recovery property (Section 179)(enclose schedule)		
10	Deductions related to portfolio income		
11	Depletion (Other than oil and gas)		
12	Intangible drilling costs		
13	Other deductions authorized by law (enclose schedule)		
14	Total deductions (Add lines 8 through 13)		
15	Net distributive income (line 7 minus line 14)		

If Federal and Oklahoma distributive net income is the same, you may complete Part 3, line 15, then complete Part 5. Enclose a copy of your Federal Form 1065 and K-1's.



NAVITAS ASSETS, LLC

PART 5: ALL PARTNERSHIPS MUST COMPLETE PART 5 OR MAY ENCLOSE THE FEDERAL K-1'S IF OKLAHOMA INFORMATION IS STATED SEPARATELY ON THE FEDERAL K-1.

A	B	C	D
Name and address of each partner	Social Security Number or FIN	Distributable Federal Income	Distributable Oklahoma Income (see instructions)
1 SEE ATTACHED			
2 INCOME/CREDIT SUMMARY			
3			
4			
5			
6			
TOTAL:			

Note: Enclose a complete copy of your Federal Form 1065 or 1065-B.

	E	F	G	H	I	J	K
	Guaranteed Payments to Partners (Federal)	Guaranteed Payments to Partners (Oklahoma)	Allowable Oil and Gas Depletion (Federal)	Allowable Oil and Gas Depletion (Oklahoma)	Percentage of Partnership Owned	Amount of Credit or Withholding	Type of Credit or Withholding
1	SEE ATTACHED						
2	INCOME/CREDIT						
3	SUMMARY						
4							
5							
6							
					Total = 100 %		

Notice: Forms required to compute credit must be enclosed with partnership return. Examples of these include: Form 1099 MISC, Form 500-A: Nonresident Royalty Withholding, Form 506: Investment/New Jobs Credit, Form 527A: Small Business Capital Credit, Form 529: Small Business Guaranty Fee Credit, Form 520: Oklahoma Agricultural Producers Credit and Form 511CR: Other credits. Schedules or authorization must be furnished.

Enclose a copy of your Federal return.

PART 6: ADDITIONAL INFORMATION

1 Date of organization: (month/day/year) 6/01/2007

2 If this is the organization's first return, indicate whether:

- a completely new business
- b successor to previously existing business which was organized as:
 - (1) corporation
 - (2) partnership
 - (3) sole proprietorship
 - (4) other (indicate) _____

If the successor to previously existing business, give name and address of the previous business organization:

3 Nature of organization: (i.e. partnership, syndicate, pool, joint ventures, limited liability company, etc)

LIMITED LIABILITY CO

4 Was a return of income filed for the preceding year? Yes No

5 Is any member of the partnership the spouse, son or daughter of any other member? Yes No

6 Enter Oklahoma Gross Income from oil, gas and geothermal properties \$

7 When is the date business commenced in Oklahoma? 6/01/2007

8 What is the principal business activity? TRANSMISSION

Mail to: Oklahoma Tax Commission, P.O. Box 26800, Oklahoma City, Oklahoma 73126-0800

PARTNER'S SHARE OF INCOME/PARTNERSHIP CREDITS
OKLAHOMA FORM 514 PART V

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Partner Number 1	Name of Partner NAVITAS UTILITY CORPORATION	Social Security Number [REDACTED]
Address of Partner 18218 EAST MCDURMOTT, SUITE I IRVINE, CA 92614		Percent of partnership owned [REDACTED] %

Distributable Federal Income	Distributable Oklahoma Income (See instructions)	Guaranteed Payments to Partners		Allowable Oil and Gas Depletion	
		Federal	Oklahoma	Federal	Oklahoma
[REDACTED]	[REDACTED]				
Qualified Ethanol Facilities	Investment Jobs	Gas Used in Mfg.	Clean Burning Fuel	Hazardous Waste Control	Venture Capital
Poultry Litter Credit	Energy Loan Fund	Small Business Capital	OK Agricultural Producers	Small Bus. Guaranty Fee	Employer Child Care
Volunteer Firefighter Credit	Child Care Services	Commercial Space Ind.	Nonstop Air Service	Tourism Development	Hepatitis Vaccination
Qualified Biodiesel Facilities	Local Dev & Ent. Zone	Cert. Historical Building	Space Transportation	Rural Small Bus. Cap.	Withholding
Film or Music Project Credit	Coal	Zero-Emission Facilities	Rural Economic Dev Loan	Small Wind Turbines	Qualified Recycling Facility
Biomedical Resrch. Cont. Cr.	Breeders of Specially Trained Canines	Wages Paid to an Injured Employee	Modification Expenses Paid for an Injured Employee	Dry Fire Hydrant Credit	Construction of Energy Efficient Homes
Railroad Modernization	Research & Development New Jobs Credit	[REDACTED]			

Partner Number 2	Name of Partner RICHARD VARNER	Social Security Number [REDACTED]
Address of Partner 18218 EAST MCDURMOTT, SUITE I IRVINE, CA 92614		Percent of partnership owned [REDACTED] %

Distributable Federal Income	Distributable Oklahoma Income (See instructions)	Guaranteed Payments to Partners		Allowable Oil and Gas Depletion	
		Federal	Oklahoma	Federal	Oklahoma
[REDACTED]	[REDACTED]				
Qualified Ethanol Facilities	Investment Jobs	Gas Used in Mfg.	Clean Burning Fuel	Hazardous Waste Control	Venture Capital
Poultry Litter Credit	Energy Loan Fund	Small Business Capital	OK Agricultural Producers	Small Bus. Guaranty Fee	Employer Child Care
Volunteer Firefighter Credit	Child Care Services	Commercial Space Ind.	Nonstop Air Service	Tourism Development	Hepatitis Vaccination
Qualified Biodiesel Facilities	Local Dev & Ent. Zone	Cert. Historical Building	Space Transportation	Rural Small Bus. Cap.	Withholding
Film or Music Project Credit	Coal	Zero-Emission Facilities	Rural Economic Dev Loan	Small Wind Turbines	Qualified Recycling Facility
Biomedical Resrch. Cont. Cr.	Breeders of Specially Trained Canines	Wages Paid to an Injured Employee	Modification Expenses Paid for an Injured Employee	Dry Fire Hydrant Credit	Construction of Energy Efficient Homes
Railroad Modernization	Research & Development New Jobs Credit	[REDACTED]			

Partner Number 3	Name of Partner THOMAS HARTLINE	Social Security Number [REDACTED]
Address of Partner 18218 EAST MCDURMOTT SUITE I IRVINE, CA 92614		Percent of partnership owned [REDACTED] %

Distributable Federal Income	Distributable Oklahoma Income (See instructions)	Guaranteed Payments to Partners		Allowable Oil and Gas Depletion	
		Federal	Oklahoma	Federal	Oklahoma
[REDACTED]	[REDACTED]				
Qualified Ethanol Facilities	Investment Jobs	Gas Used in Mfg.	Clean Burning Fuel	Hazardous Waste Control	Venture Capital
Poultry Litter Credit	Energy Loan Fund	Small Business Capital	OK Agricultural Producers	Small Bus. Guaranty Fee	Employer Child Care
Volunteer Firefighter Credit	Child Care Services	Commercial Space Ind.	Nonstop Air Service	Tourism Development	Hepatitis Vaccination
Qualified Biodiesel Facilities	Local Dev & Ent. Zone	Cert. Historical Building	Space Transportation	Rural Small Bus. Cap.	Withholding
Film or Music Project Credit	Coal	Zero-Emission Facilities	Rural Economic Dev Loan	Small Wind Turbines	Qualified Recycling Facility
Biomedical Resrch. Cont. Cr.	Breeders of Specially Trained Canines	Wages Paid to an Injured Employee	Modification Expenses Paid for an Injured Employee	Dry Fire Hydrant Credit	Construction of Energy Efficient Homes
Railroad Modernization	Research & Development New Jobs Credit	[REDACTED]			

**PARTNER'S SHARE OF INCOME/PARTNERSHIP CREDITS
OKLAHOMA FORM 514 PART IV**

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Partner Number	Name of Partner	Social Security Number
** PARTNERSHIP TOTALS **		
Address of Partner		Percent of partnership owned %

Distributable Federal Income	Distributable Oklahoma Income (See instructions)	Guaranteed Payments to Partners		Allowable Oil and Gas Depletion	
		Federal	Oklahoma	Federal	Oklahoma
Qualified Ethanol Facilities	Investment Jobs	Gas Used in Mfg.	Clean Burning Fuel	Hazardous Waste Control	Venture Capital
Poultry Litter Credit	Energy Loan Fund	Small Business Capital	OK Agricultural Producers	Small Bus. Guaranty Fee	Employer Child Care
Volunteer Firefighter Credit	Child Care Services	Commercial Space Ind.	Nonstop Air Service	Tourism Development	Hepatitis Vaccination
Qualified Biodiesel Facilities	Local Dev & Ent. Zone	Cert. Historical Building	Space Transportation	Rural Small Bus. Cap.	Withholding
Film or Music Project Credit	Coal	Zero-Emission Facilities	Rural Economic Dev Loan	Small Wind Turbines	Qualified Recycling Facility
Biomedical Resrch. Cont. Cr.	Breeders of Specially Trained Canines	Wages Paid to an Injured Employee	Modification Expenses Paid for an Injured Employee	Dry Fire Hydrant Credit	Construction of Energy Efficient Homes
Railroad Modernization	Research & Development New Jobs Credit				

Partner Number	Name of Partner	Social Security Number
Address of Partner		Percent of partnership owned %

Distributable Federal Income	Distributable Oklahoma Income (See instructions)	Guaranteed Payments to Partners		Allowable Oil and Gas Depletion	
		Federal	Oklahoma	Federal	Oklahoma
Qualified Ethanol Facilities	Investment Jobs	Gas Used in Mfg.	Clean Burning Fuel	Hazardous Waste Control	Venture Capital
Poultry Litter Credit	Energy Loan Fund	Small Business Capital	OK Agricultural Producers	Small Bus. Guaranty Fee	Employer Child Care
Volunteer Firefighter Credit	Child Care Services	Commercial Space Ind.	Nonstop Air Service	Tourism Development	Hepatitis Vaccination
Qualified Biodiesel Facilities	Local Dev & Ent. Zone	Cert. Historical Building	Space Transportation	Rural Small Bus. Cap.	Withholding
Film or Music Project Credit	Coal	Zero-Emission Facilities	Rural Economic Dev Loan	Small Wind Turbines	Qualified Recycling Facility
Biomedical Resrch. Cont. Cr.	Breeders of Specially Trained Canines	Wages Paid to an Injured Employee	Modification Expenses Paid for an Injured Employee	Dry Fire Hydrant Credit	Construction of Energy Efficient Homes
Railroad Modernization	Research & Development New Jobs Credit				

Partner Number	Name of Partner	Social Security Number
Address of Partner		Percent of partnership owned %

Distributable Federal Income	Distributable Oklahoma Income (See instructions)	Guaranteed Payments to Partners		Allowable Oil and Gas Depletion	
		Federal	Oklahoma	Federal	Oklahoma
Qualified Ethanol Facilities	Investment Jobs	Gas Used in Mfg.	Clean Burning Fuel	Hazardous Waste Control	Venture Capital
Poultry Litter Credit	Energy Loan Fund	Small Business Capital	OK Agricultural Producers	Small Bus. Guaranty Fee	Employer Child Care
Volunteer Firefighter Credit	Child Care Services	Commercial Space Ind.	Nonstop Air Service	Tourism Development	Hepatitis Vaccination
Qualified Biodiesel Facilities	Local Dev & Ent. Zone	Cert. Historical Building	Space Transportation	Rural Small Bus. Cap.	Withholding
Film or Music Project Credit	Coal	Zero-Emission Facilities	Rural Economic Dev Loan	Small Wind Turbines	Qualified Recycling Facility
Biomedical Resrch. Cont. Cr.	Breeders of Specially Trained Canines	Wages Paid to an Injured Employee	Modification Expenses Paid for an Injured Employee	Dry Fire Hydrant Credit	Construction of Energy Efficient Homes
Railroad Modernization	Research & Development New Jobs Credit				

NAVITAS ASSETS, LLC

STATEMENT 1
FORM 514, PART TWO, LINE 7
OTHER INCOME (LOSS)

OTHER INCOME
TOTAL \$

STATEMENT 2
FORM 514, PART TWO, LINE 20
OTHER DEDUCTIONS

ACCOUNTING \$
AMORTIZATION
BANK CHARGES
LEGAL & PROFESSIONAL
LICENSES, PERMITS, MEMBERSHIPS
MISCELLANEOUS
OFFICE EXPENSE
POSTAGE
TOTAL \$

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NAVITAS UTILITY CORPORATION

COPY

	2009	2008	DIFF
ORDINARY INCOME			
GROSS RECEIPTS LESS RETURNS/ALLOWANCE	[REDACTED]	[REDACTED]	[REDACTED]
COST OF GOODS SOLD (SCHED. A, LINE 8)	[REDACTED]	[REDACTED]	[REDACTED]
GROSS PROFIT	[REDACTED]	[REDACTED]	[REDACTED]
OTHER INCOME	[REDACTED]	[REDACTED]	[REDACTED]
TOTAL INCOME (LOSS)	[REDACTED]	[REDACTED]	[REDACTED]
ORDINARY DEDUCTIONS			
COMPENSATION OF OFFICERS	[REDACTED]	[REDACTED]	[REDACTED]
SALARIES/WAGES (LESS EMPLOYMENT CR.)	[REDACTED]	[REDACTED]	[REDACTED]
RENTS	[REDACTED]	[REDACTED]	[REDACTED]
TAXES AND LICENSES	[REDACTED]	[REDACTED]	[REDACTED]
INTEREST	[REDACTED]	[REDACTED]	[REDACTED]
DEPRECIATION	[REDACTED]	[REDACTED]	[REDACTED]
PENSION, PROFIT-SHARING, ETC. PLANS	[REDACTED]	[REDACTED]	[REDACTED]
EMPLOYEE BENEFIT PROGRAMS	[REDACTED]	[REDACTED]	[REDACTED]
OTHER DEDUCTIONS	[REDACTED]	[REDACTED]	[REDACTED]
TOTAL DEDUCTIONS	[REDACTED]	[REDACTED]	[REDACTED]
ORDINARY BUSINESS INCOME (LOSS)	[REDACTED]	[REDACTED]	[REDACTED]
REFUND OR AMOUNT DUE			
BALANCE DUE	[REDACTED]	[REDACTED]	[REDACTED]
SCHEDULE K - INCOME			
ORDINARY BUSINESS INCOME (LOSS)	[REDACTED]	[REDACTED]	[REDACTED]
INTEREST INCOME	[REDACTED]	[REDACTED]	[REDACTED]
SCHEDULE K - DEDUCTIONS			
CHARITABLE CONTRIBUTIONS	[REDACTED]	[REDACTED]	[REDACTED]
SCHEDULE K - ALTERNATIVE MINIMUM TAX ITEMS			
POST-1986 DEPRECIATION ADJUSTMENT	[REDACTED]	[REDACTED]	[REDACTED]
SCHEDULE K - ITEMS AFFECTING BASIS			
NONDEDUCTIBLE EXPENSES	[REDACTED]	[REDACTED]	[REDACTED]
PROPERTY DISTRIBUTIONS	[REDACTED]	[REDACTED]	[REDACTED]
SCHEDULE K - OTHER INFORMATION			
INVESTMENT INCOME	[REDACTED]	[REDACTED]	[REDACTED]
INCOME (LOSS) RECONCILIATION	[REDACTED]	[REDACTED]	[REDACTED]
SCHEDULE L - BALANCE SHEET			
BEGINNING ASSETS	[REDACTED]	[REDACTED]	[REDACTED]
BEGINNING LIABILITIES & EQUITY	[REDACTED]	[REDACTED]	[REDACTED]
ENDING ASSETS	[REDACTED]	[REDACTED]	[REDACTED]
ENDING LIABILITIES & EQUITY	[REDACTED]	[REDACTED]	[REDACTED]

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NAVITAS UTILITY CORPORATION

	2009	2008	DIFF
INCOME			
GROSS RECEIPTS LESS RETURNS/ALLOWANCES	[REDACTED]	[REDACTED]	[REDACTED]
COST OF GOODS SOLD AND / OR OPERATIONS	[REDACTED]	[REDACTED]	[REDACTED]
GROSS PROFIT	[REDACTED]	[REDACTED]	[REDACTED]
OTHER INCOME	[REDACTED]	[REDACTED]	[REDACTED]
TOTAL INCOME	[REDACTED]	[REDACTED]	[REDACTED]
DEDUCTIONS			
COMPENSATION OF OFFICERS	[REDACTED]	[REDACTED]	[REDACTED]
SALARIES AND WAGES	[REDACTED]	[REDACTED]	[REDACTED]
RENT	[REDACTED]	[REDACTED]	[REDACTED]
TAXES	[REDACTED]	[REDACTED]	[REDACTED]
INTEREST	[REDACTED]	[REDACTED]	[REDACTED]
DEPRECIATION	[REDACTED]	[REDACTED]	[REDACTED]
RETIREMENT PLANS	[REDACTED]	[REDACTED]	[REDACTED]
EMPLOYEE BENEFIT PROGRAMS	[REDACTED]	[REDACTED]	[REDACTED]
OTHER DEDUCTIONS	[REDACTED]	[REDACTED]	[REDACTED]
TOTAL DEDUCTIONS	[REDACTED]	[REDACTED]	[REDACTED]
DISTRIBUTIVE SHARE ITEMS			
ORD. INCOME (LOSS) FORM TRADE OR BUSINESS	[REDACTED]	[REDACTED]	[REDACTED]
INTEREST ON LOANS, NOTES, MORTGAGES, BONDS	[REDACTED]	[REDACTED]	[REDACTED]
TOTAL INCOME	[REDACTED]	[REDACTED]	[REDACTED]
CONTRIBUTIONS	[REDACTED]	[REDACTED]	[REDACTED]
TOTAL DEDUCTIONS	[REDACTED]	[REDACTED]	[REDACTED]
TAX AND CREDITS			
NET DISTRIBUTIVE INCOME	[REDACTED]	[REDACTED]	[REDACTED]
TAX	[REDACTED]	[REDACTED]	[REDACTED]
BALANCE OF TAX DUE	[REDACTED]	[REDACTED]	[REDACTED]
PAYMENTS			
TOTAL PAYMENTS	[REDACTED]	[REDACTED]	[REDACTED]
REFUND OR AMOUNT DUE			
OVERPAYMENT	[REDACTED]	[REDACTED]	[REDACTED]
TAX DUE	[REDACTED]	[REDACTED]	[REDACTED]
BALANCE DUE	[REDACTED]	[REDACTED]	[REDACTED]

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Form 1120S

U.S. Income Tax Return for an S Corporation

OMB No. 1545-0130

2009

Department of the Treasury Internal Revenue Service

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. See separate instructions.

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For calendar year 2009 or tax year beginning 2009, ending

Section A: S election effective date 1/01/2007; Section B: Business activity code 221210; Section C: Check if Sch M-3 attached; Section D: Employer identification number; Section E: Date incorporated 5/17/2006; Section F: Total assets; Section G: Is the corporation electing to be an S corporation beginning with this tax year? Yes No [X]; Section H: Check if: (1) Final return (2) Name change (3) Address change (4) Amended return (5) S election termination or revocation; Section I: Enter the number of shareholders who were shareholders during any part of the tax year 2

NAVITAS UTILITY CORPORATION
18218 EAST MCDURMOTT, SUITE I
IRVINE, CA 92614

Caution. Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Table with columns for Income (1-6), Deductions (7-21), and Taxes (22-27). Includes rows for Gross receipts, Cost of goods sold, Compensation of officers, Salaries and wages, Total income, Total deductions, Ordinary business income, Excess net passive income, and Estimated tax payments.

Sign Here: Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. Signature of officer: [Redacted] Date: [Redacted] Title: PRESIDENT

Paid Preparer's Only: Preparer's signature: Alan Behrens CFA Date: 9-13-10 Check if self-employed: [] Preparer's SSN or PTIN: [Redacted] Firm's name: HBC CPAS & ADVISORS EIN: [Redacted] 1401 HEALTH CENTER PKWY YUKON, OK 73099-6492 Phone no. (405) 848-7797

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Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	
4	Additional section 263A costs (attach statement)	4	
5	Other costs (attach statement)	5	SEE STATEMENT 4
6	Total. Add lines 1 through 5	6	
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	

9a Check all methods used for valuing closing inventory:

- (i) Cost as described in Regulations section 1.471-3
- (ii) Lower of cost or market as described in Regulations section 1.471-4
- (iii) Other (Specify method used and attach explanation.)

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c)

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO 9d

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If 'Yes,' attach explanation. Yes No

Schedule B Other Information (see instructions)

	Yes	No
1 Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶		
2 See the instructions and enter the: a Business activity ▶ <u>UTILITY OPERATOR</u> b Product or service ▶ <u>NATURAL GAS</u>		
3 At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If 'Yes,' attach a statement showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) if 100% owned, was a QSub election made?		X
4 Has this corporation filed, or is it required to file, a return under section 6111 to provide information on any reportable transaction?		X
5 Check this box if the corporation issued publicly offered debt instruments with original issue discount. If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments. <input type="checkbox"/>		
6 If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years ▶ \$		
7 Enter the accumulated earnings and profits of the corporation at the end of the tax year \$		
8 Are the corporation's total receipts (see instructions) for the tax year and its total assets at the end of the tax year less than \$250,000? If 'Yes,' the corporation is not required to complete Schedules L and M-1.		X

Schedule K Shareholders' Pro Rata Share Items

	Total amount
1 Ordinary business income (loss) (page 1, line 21)	1
2 Net rental real estate income (loss) (attach Form 8825)	2
3a Other gross rental income (loss)	3a
b Expenses from other rental activities (attach statement)	3b
3c Other net rental income (loss). Subtract line 3b from line 3a	3c
4 Interest income	4
5 Dividends: a Ordinary dividends	5a
b Qualified dividends	5b
6 Royalties	6
7 Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	7
8a Net long-term capital gain (loss) (attach Schedule D (Form 1120S))	8a
b Collectibles (28%) gain (loss)	8b
c Unrecaptured section 1250 gain (attach statement)	8c
9 Net section 1231 gain (loss) (attach Form 4797)	9
10 Other income (loss) (see instructions) Type ▶	10

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Shareholders' Pro Rata Share Items (continued)

Total amount

Deductions	11 Section 179 deduction (attach Form 4562)	11	
	12a Contributions	12a	
	b Investment interest expense	12b	
	c Section 59(e)(2) expenditures (1) Type ▶	12c (2)	
	d Other deductions (see instructions) Type ▶	12d	
Credits	13a Low-income housing credit (section 42(j)(5))	13a	
	b Low-income housing credit (other)	13b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	13c	
	d Other rental real estate credits (see instrs) Type ▶	13d	
	e Other rental credits (see instrs) Type ▶	13e	
	f Alcohol and cellulosic biofuel fuels credit (attach Form 6478)	13f	
	g Other credits (see instructions) Type ▶	13g	
Foreign Transactions	14a Name of country or U.S. possession		
	b Gross income from all sources	14b	
	c Gross income sourced at shareholder level	14c	
	Foreign gross income sourced at corporate level		
	d Passive category	14d	
	e General category	14e	
	f Other (attach statement)	14f	
	Deductions allocated and apportioned at shareholder level		
	g Interest expense	14g	
	h Other	14h	
	Deductions allocated and apportioned at corporate level to foreign source income		
	i Passive category	14i	
	j General category	14j	
k Other (attach statement)	14k		
Other information			
l Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	14l		
m Reduction in taxes available for credit (attach statement)	14m		
n Other foreign tax information (attach statement)			
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment	15a	
	b Adjusted gain or loss	15b	
	c Depletion (other than oil and gas)	15c	
	d Oil, gas, and geothermal properties – gross income	15d	
	e Oil, gas, and geothermal properties – deductions	15e	
	f Other AMT items (attach statement)	15f	
Items Affecting Shareholder Basis	16a Tax-exempt interest income	16a	
	b Other tax-exempt income	16b	
	c Nondeductible expenses	16c	
	d Property distributions	16d	
	e Repayment of loans from shareholders	16e	
Other Information	17a Investment income	17a	
	b Investment expenses	17b	
	c Dividend distributions paid from accumulated earnings and profits	17c	
	d Other items and amounts (attach statement)		
Reconciliation	18 Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and lines 14l	18	

Schedule L Balance Sheets per Books	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash				
2a Trade notes and accounts receivable				
b Less allowance for bad debts				
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities (see instructions)				
6 Other current assets (attach stmt) SEE ST 7				
7 Loans to shareholders				
8 Mortgage and real estate loans				
9 Other investments (attach statement) SEE ST 8				
10a Buildings and other depreciable assets				
b Less accumulated depreciation				
11a Depletable assets				
b Less accumulated depletion				
12 Land (net of any amortization)				
13a Intangible assets (amortizable only)				
b Less accumulated amortization				
14 Other assets (attach stmt)				
15 Total assets				
Liabilities and Shareholders' Equity				
16 Accounts payable				
17 Mortgages, notes, bonds payable in less than 1 year				
18 Other current liabilities (attach stmt)				
19 Loans from shareholders				
20 Mortgages, notes, bonds payable in 1 year or more				
21 Other liabilities (attach statement)				
2 Capital stock				
3 Additional paid-in capital				
24 Retained earnings				
25 Adjustments to shareholders' equity (att stmt)				
26 Less cost of treasury stock				
27 Total liabilities and shareholders' equity				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more — see instructions

1 Net income (loss) per books		5 Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize):		a Tax-exempt interest \$	
		STATEMENT 10	
3 Expenses recorded on books this year not included on Schedule K, lines 1 through 12, and 14l (itemize):		6 Deductions included on Schedule K, lines 1 through 12, and 14l, not charged against book income this year (itemize):	
a Depreciation \$		a Depreciation \$	
b Travel and entertainment \$			
SEE STATEMENT 9		Add lines 5 and 6	
4 Add lines 1 through 3		8 Income (loss) (Schedule K, ln 18). Ln 4 less ln 7	

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1 Balance at beginning of tax year			
2 Ordinary income from page 1, line 21			
3 Other additions SEE STATEMENT 11			
4 Loss from page 1, line 21			
5 Other reductions SEE STATEMENT 12			
6 Combine lines 1 through 5			
7 Distributions other than dividend distributions			
8 Balance at end of tax year. Subtract line 7 from line 6			

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671109

OMB No. 1545-0130

Schedule K-1
(Form 1120S)

2009

Final K-1

Amended K-1

Department of the Treasury
Internal Revenue Service

For calendar year 2009, or tax
year beginning _____, 2009
ending _____

Shareholder's Share of Income, Deductions,
Credits, etc. ▶ See page 2 of form and separate instructions.

Part III Shareholder's Share of Current Year Income,
Deductions, Credits, and Other Items

1	Ordinary business income (loss)	13	Credits
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income		
5a	Ordinary dividends		
5b	Qualified dividends	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss)		
10	Other income (loss)	15 A	Alternative minimum tax (AMT) items 886.
11	Section 179 deduction	16 C*	Items affecting shareholder basis
12 A	Other deductions		
		17 A	Other information

Part I Information About the Corporation

A Corporation's employer identification number
[REDACTED]

B Corporation's name, address, city, state, and ZIP code
NAVITAS UTILITY CORPORATION
18218 EAST MCDURMMOTT, SUITE I
IRVINE, CA 92614

C IRS Center where corporation filed return
OGDEN, UT

Part II Information About the Shareholder

D Shareholder's identifying number
[REDACTED]

E Shareholder's name, address, city, state, and ZIP code
THOMAS HARTLINE
18218 EAST MCDURMMOTT SUITE I
IRVINE, CA 92614

F Shareholder's percentage of stock ownership for tax year
[REDACTED]

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*See attached statement for additional information.

This list identifies the codes used on Schedule K-1 for all shareholders and provides summarized reporting information for shareholders who file Form 1040. For detailed reporting and filing information, see the separate Shareholder's Instructions for Schedule K-1 and the instructions for your income tax return.

Table with 2 columns: Code and Report on. Includes sections 1-13 covering Ordinary business income, Net rental real estate income, Other net rental income, Interest income, Dividends, Royalties, Capital gains, Section 179 deduction, Other deductions, Credits, and Low-income housing credit.

Table with 2 columns: Code and Report on. Includes sections 14-17 covering Foreign transactions, Alternative minimum tax (AMT) items, Items affecting shareholder basis, and Other information.

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**BOX 16
ITEMS AFFECTING SHAREHOLDER BASIS**

*** DESCRIPTIVE INFORMATION**

C DISALLOWED MEALS AND ENTERTAINMENT \$ [REDACTED]
C PENALTIES

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671109
OMB No. 1545-0130

Schedule K-1
(Form 1120S)

2009

Final K-1
Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items

Department of the Treasury
Internal Revenue Service

For calendar year 2009, or tax
year beginning _____, 2009
ending _____.

Shareholder's Share of Income, Deductions, Credits, etc. ▶ See page 2 of form and separate instructions.

Part I Information About the Corporation

A Corporation's employer identification number
[REDACTED]

B Corporation's name, address, city, state, and ZIP code
NAVITAS UTILITY CORPORATION
18218 EAST MCDURMMOTT, SUITE I
IRVINE, CA 92614

C IRS Center where corporation filed return
OGDEN, UT

Part II Information About the Shareholder

D Shareholder's identifying number
[REDACTED]

E Shareholder's name, address, city, state, and ZIP code
RICHARD VARNER
18218 EAST MCDURMMOTT SUITE I
IRVINE, CA 92614

F Shareholder's percentage of stock ownership for tax year _____%

1	Ordinary business income (loss)	13	Credits
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income		
5a	Ordinary dividends		
5b	Qualified dividends	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss)		
10	Other income (loss)	15 A	Alternative minimum tax (AMT) items [REDACTED]
11	Section 179 deduction	16 C*	Items affecting shareholder basis [REDACTED]
12 A	Other deductions [REDACTED]		
		17 A	Other information [REDACTED]

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*See attached statement for additional information.

This list identifies the codes used on Schedule K-1 for all shareholders and provides summarized reporting information for shareholders who file Form 1040. For detailed reporting and filing information, see the separate Shareholder's Instructions for Schedule K-1 and the instructions for your income tax return.

- 1 Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows:
 - Passive loss See the Shareholder's Instructions
 - Passive income Schedule E, line 28, column (g)
 - Nonpassive loss Schedule E, line 28, column (h)
 - Nonpassive income Schedule E, line 28, column (j)
- 2 Net rental real estate income (loss) See the Shareholder's Instructions
- 3 Other net rental income (loss)
 - Net income Schedule E, line 28, column (g)
 - Net loss See the Shareholder's Instructions
- 4 Interest income Form 1040, line 8a
- 5a Ordinary dividends Form 1040, line 9a
- 5b Qualified dividends Form 1040, line 9b
- 6 Royalties Schedule E, line 4
- 7 Net short-term capital gain (loss) Schedule D, line 5, column (f)
- 8a Net long-term capital gain (loss) Schedule D, line 12, column (f)
- 8b Collectibles (28%) gain (loss) 28% Rate Gain Worksheet, line 4 (Schedule D instructions)
- 8c Unrecaptured section 1250 gain See the Shareholder's Instructions
- 9 Net section 1231 gain (loss) See the Shareholder's Instructions
- 10 Other income (loss)
 - Code
 - A Other portfolio income (loss) See the Shareholder's Instructions
 - B Involuntary conversions See the Shareholder's Instructions
 - C Section 1256 contracts and straddles Form 6781, line 1
 - D Mining exploration costs recapture See Pub 535
 - E Other income (loss) See the Shareholder's Instructions
- 11 Section 179 deduction See the Shareholder's Instructions
- 12 Other deductions
 - A Cash contributions (50%) See the Shareholder's Instructions
 - B Cash contributions (30%) See the Shareholder's Instructions
 - C Noncash contributions (50%) See the Shareholder's Instructions
 - D Noncash contributions (30%) See the Shareholder's Instructions
 - E Capital gain property to a 50% organization (30%) See the Shareholder's Instructions
 - F Capital gain property (20%) See the Shareholder's Instructions
 - G Contributions (100%) See the Shareholder's Instructions
 - H Investment interest expense Form 4952, line 1
 - I Deductions — royalty income Schedule E, line 18
 - J Section 59(e)(2) expenditures See the Shareholder's Instructions
 - K Deductions — portfolio (2% floor) Schedule A, line 23
 - L Deductions — portfolio (other) Schedule A, line 28
 - M Preproductive period expenses See the Shareholder's Instructions
 - N Commercial revitalization deduction from rental real estate activities See Form 8582 instructions
 - O Reforestation expense deduction See the Shareholder's Instructions
 - P Domestic production activities information See Form 8903 instructions
 - Q Qualified production activities income Form 8903, line 7
 - R Employer's Form W-2 wages Form 8903, line 15
 - S Other deductions See the Shareholder's Instructions
- 13 Credits
 - A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings See the Shareholder's Instructions
 - B Low-income housing credit (other) from pre-2008 buildings See the Shareholder's Instructions
 - C Low-income housing credit (section 42(j)(5)) from post-2007 buildings Form 8586, line 11
 - D Low-income housing credit (other) from post-2007 buildings Form 8586, line 11
 - E Qualified rehabilitation expenditures (rental real estate) See the Shareholder's Instructions
 - F Other rental real estate credits See the Shareholder's Instructions
 - G Other rental credits See the Shareholder's Instructions
 - H Undistributed capital gains credit Form 1040, line 70, box a
 - I Alcohol and cellulosic biofuel fuels credit Form 6478, line 7
 - J Work opportunity credit Form 5884, line 3
 - K Disabled access credit See the Shareholder's Instructions
 - L Empowerment zone and renewal community employment credit Form 8844, line 3

- Code
- M Credit for increasing research activities See the Shareholder's Instructions
- N Credit for employer social security and Medicare taxes Form 8846, line 5
- O Backup withholding Form 1040, line 61
- P Other credits See the Shareholder's Instructions
- 14 Foreign transactions
 - A Name of country or U.S. possession } Form 1116, Part I
 - B Gross income from all sources } Form 1116, Part I
 - C Gross income sourced at shareholder level } Form 1116, Part I
 Foreign gross income sourced at corporate level
 - D Passive category } Form 1116, Part I
 - E General category } Form 1116, Part I
 - F Other } Form 1116, Part I
 Deductions allocated and apportioned at shareholder level
 - G Interest expense Form 1116, Part I
 - H Other Form 1116, Part I
 Deductions allocated and apportioned at corporate level to foreign source income
 - I Passive category } Form 1116, Part I
 - J General category } Form 1116, Part I
 - K Other } Form 1116, Part I
 Other information
 - L Total foreign taxes paid Form 1116, Part II
 - M Total foreign taxes accrued Form 1116, Part II
 - N Reduction in taxes available for credit Form 1116, line 12
 - O Foreign trading gross receipts Form 8873
 - P Extraterritorial income exclusion Form 8873
 - Q Other foreign transactions See the Shareholder's Instructions
- 15 Alternative minimum tax (AMT) items
 - A Post-1986 depreciation adjustment } See the Shareholder's Instructions and the Instructions for Form 6251
 - B Adjusted gain or loss } See the Shareholder's Instructions and the Instructions for Form 6251
 - C Depletion (other than oil & gas) } See the Shareholder's Instructions and the Instructions for Form 6251
 - D Oil, gas, & geothermal — gross income } See the Shareholder's Instructions and the Instructions for Form 6251
 - E Oil, gas, & geothermal — deductions } See the Shareholder's Instructions and the Instructions for Form 6251
 - F Other AMT items } See the Shareholder's Instructions and the Instructions for Form 6251
- 16 Items affecting shareholder basis
 - A Tax-exempt interest income Form 1040, line 8b
 - B Other tax-exempt income } See the Shareholder's Instructions
 - C Nondeductible expenses } See the Shareholder's Instructions
 - D Property distributions } See the Shareholder's Instructions
 - E Repayment of loans from shareholders } See the Shareholder's Instructions
- 17 Other information
 - A Investment income Form 4952, line 4a
 - B Investment expenses Form 4952, line 5
 - C Qualified rehabilitation expenditures (other than rental real estate) See the Shareholder's Instructions
 - D Basis of energy property See the Shareholder's Instructions
 - E Recapture of low-income housing credit (section 42(j)(5)) Form 8611, line 8
 - F Recapture of low-income housing credit (other) Form 8611, line 8
 - G Recapture of investment credit See Form 4255
 - H Recapture of other credits See the Shareholder's Instructions
 - I Look-back interest — completed long-term contracts See Form 8697
 - J Look-back interest — income forecast method See Form 8855
 - K Dispositions of property with section 179 deductions } See the Shareholder's Instructions
 - L Recapture of section 179 deduction } See the Shareholder's Instructions
 - M Section 453(f)(3) information } See the Shareholder's Instructions
 - N Section 453A(c) information } See the Shareholder's Instructions
 - O Section 1260(b) information } See the Shareholder's Instructions
 - P Interest allocable to production expenditures } See the Shareholder's Instructions
 - Q CCF nonqualified withdrawals } See the Shareholder's Instructions
 - R Depletion information — oil and gas } See the Shareholder's Instructions
 - S Amortization of reforestation costs } See the Shareholder's Instructions
 - T Section 108(i) information } See the Shareholder's Instructions
 - U Other information } See the Shareholder's Instructions

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**BOX 16
ITEMS AFFECTING SHAREHOLDER BASIS**

*** DESCRIPTIVE INFORMATION**

C DISALLOWED MEALS AND ENTERTAINMENT

C PENALTIES

\$

[REDACTED]

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OMB No 1545-0172

Form 4562

Depreciation and Amortization
(Including Information on Listed Property)

2009

Department of the Treasury
Internal Revenue Service (99)

See separate instructions. Attach to your tax return.

Attachment
Sequence No. 67

Name(s) shown on return

Identifying number

NAVITAS UTILITY CORPORATION

Business or activity to which this form relates

FORM 1120S

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

Table with 5 columns: Line number, Description, (b) Cost, (c) Elected cost, and Amount. Lines 1-5 are for Section 179 election details. Lines 6-13 are for listed property details.

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

Table with 3 columns: Line number, Description, and Amount. Lines 14-16 for special depreciation allowance.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

Table with 3 columns: Line number, Description, and Amount. Line 17 for MACRS deductions before 2009.

Section B - Assets Placed in Service During 2009 Tax Year Using the General Depreciation System

Table with 7 columns: (a) Classification of property, (b) Month and year placed in service, (c) Basis for depreciation, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction. Rows 19a-i for various property types.

Section C - Assets Placed in Service During 2009 Tax Year Using the Alternative Depreciation System

Table with 6 columns: Line number, Description, Recovery period, Convention, Method, and Amount. Rows 20a-c for alternative depreciation system.

Part IV Summary (See instructions.)

Table with 3 columns: Line number, Description, and Amount. Lines 21-23 for summary of depreciation.

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Part V Listed Property (Include automobiles, certain other vehicles, cell phones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A -- Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No					24b If 'Yes,' is the evidence written? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost	
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions).....							25		
26 Property used more than 50% in a qualified business use:									
5 USED PICKUP	6/01/07	100.0			3.0	200DB HY			
GMC PICKUP	9/26/07	100.0			3.0	200DB HY			
GMC PICKUP	9/26/07	100.0			3.0	200DB HY			
27 Property used 50% or less in a qualified business use:									
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1.....									
							28		
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1.....								29	0.

Section B -- Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a)		(b)		(c)		(d)		(e)		(f)	
	Vehicle 1	Vehicle 2	Vehicle 3	Vehicle 4	Vehicle 5	Vehicle 6						
30 Total business/investment miles driven during the year (do not include commuting miles).....												
31 Total commuting miles driven during the year.....												
32 Total other personal (noncommuting) miles driven.....												
33 Total miles driven during the year. Add lines 30 through 32.....												
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?.....												
35 Was the vehicle used primarily by a more than 5% owner or related person?.....												
36 Is another vehicle available for personal use?.....												

Section C -- Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?.....		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners.....		
39 Do you treat all use of vehicles by employees as personal use?.....		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?.....		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.).....		

Note: If your answer to 37, 38, 39, 40, or 41 is 'Yes,' do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2009 tax year (see instructions):					
43 Amortization of costs that began before your 2009 tax year.....					43
44 Total. Add amounts in column (f). See the instructions for where to report.....					44

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Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A – Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24 a Do you have evidence to support the business/investment use claimed?		<input type="checkbox"/> Yes	<input type="checkbox"/> No	24 b If 'Yes,' is the evidence written?		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)							25	
26 Property used more than 50% in a qualified business use:								
USED PICKUP	9/30/07	100.0			3.0	200DB HY		
09 CHEV 1500	3/05/09	100.0			3.0	200DB HY		
09 FORD F150	3/31/09	100.0			3.0	200DB HY		
27 Property used 50% or less in a qualified business use:								
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							28	
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1								29

Section B – Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

	(a)		(b)		(c)		(d)		(e)		(f)	
	Vehicle 1	Vehicle 2	Vehicle 3	Vehicle 4	Vehicle 5	Vehicle 6						
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C – Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		

Note: If your answer to 37, 38, 39, 40, or 41 is 'Yes,' do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2009 tax year (see instructions):					
3 Amortization of costs that began before your 2009 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report.					44

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Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A – Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No 24b If 'Yes,' is the evidence written? Yes No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions).							25	
26 Property used more than 50% in a qualified business use:								
09 FORD F150	4/02/09	100.0			3.0	200DB HY		
09 FORD F150	4/02/09	100.0			3.0	200DB HY		
09 FORD F150	4/11/09	100.0			3.0	200DB HY		
27 Property used 50% or less in a qualified business use:								
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1.							28	
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1.								29

Section B – Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

30 Total business/investment miles driven during the year (do not include commuting miles)	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
	Yes	No										
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C – Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners.		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		

Note: If your answer to 37, 38, 39, 40, or 41 is 'Yes,' do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2009 tax year (see instructions).					
43 Amortization of costs that began before your 2009 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report.					44

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Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A – Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed?										<input type="checkbox"/> Yes		<input type="checkbox"/> No		24b If 'Yes,' is the evidence written?										<input type="checkbox"/> Yes		<input type="checkbox"/> No	
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost																			
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)														25													
26 Property used more than 50% in a qualified business use:																											
09	FORD F150	4/11/09	100.0		3.0	200DB HY																					
27 Property used 50% or less in a qualified business use:																											
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1														28													
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1																				29							

Section B – Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

30 Total business/investment miles driven during the year (do not include commuting miles)	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
	Yes	No										
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C – Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners			
39 Do you treat all use of vehicles by employees as personal use?			
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?			
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)			

Note: If your answer to 37, 38, 39, 40, or 41 is 'Yes,' do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2009 tax year (see instructions):					
3 Amortization of costs that began before your 2009 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns

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GMB No. 1545-0233

- File a separate application for each return. See separate instructions.

Type or Print

Name: NAVITAS UTILITY CORPORATION
Identifying number: [Redacted]
Address: 18218 EAST MCDURMOTT, SUITE I
IRVINE, CA 92614

File by the due date for the return for which an extension is requested. See instructions.

Note. See instructions before completing this form.

Part I Automatic 5-Month Extension Complete if Filing Form 1065, 1041, or 8804

Table with 4 columns: Application Is For, Form Code, Application Is For, Form Code. Rows include Form 1065, Form 8804, Form 1041 (estate), and Form 1041 (trust).

Part II Automatic 6-Month Extension Complete if Filing Other Forms

Table with 4 columns: Application Is For, Form Code, Application Is For, Form Code. Rows include various forms like Form 706-GS(D), Form 1041-N, Form 1042, Form 1065-B, Form 1066, Form 1120, Form 1120-C, Form 1120-F, Form 1120-FSC, Form 1120-H, Form 1120-L, Form 1120-ND, and Form 1120-ND (section 4951 taxes).

- 2 If the organization is a foreign corporation that does not have an office or place of business in the United States, check here.
3 If the organization is a corporation and is the common parent of a group that intends to file a consolidated return check here.

Part III All Filers Must Complete This Part

- 4 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here.

5a The application is for calendar year 20 09, or tax year beginning 20, and ending 20

b Short tax year. If this tax year is less than 12 months, check the reason:

- Initial return, Final return, Change in accounting period, Consolidated return to be filed

Table with 2 columns: Line number and Amount. Lines 6 (Tentative total tax), 7 (Total payments and credits), and 8 (Balance due).

AA For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

2009

NAVITAS UTILITY CORPORATION

STATEMENT 1
FORM 1120S, LINE 5
OTHER INCOME

OTHER INCOME \$ [REDACTED]

NAVITAS ASSETS LLC
20-8819310 TOTAL \$ [REDACTED]

STATEMENT 2
FORM 1120S, LINE 12
TAXES AND LICENSES

LICENSES AND PERMITS \$ [REDACTED]

PAYROLL TAXES [REDACTED]

VEHICLE TAXES [REDACTED]

TOTAL \$ [REDACTED]

STATEMENT 3
FORM 1120S, LINE 19
OTHER DEDUCTIONS

ACCOUNTING \$ [REDACTED]

AMORTIZATION [REDACTED]

AUTO AND TRUCK EXPENSE [REDACTED]

BANK CHARGES [REDACTED]

BUSINESS DEVELOPMENT COSTS [REDACTED]

COMPANY PROMOTIONS [REDACTED]

CONSULTATION FEES [REDACTED]

DUES AND SUBSCRIPTIONS [REDACTED]

FACILITIES EXPENSE [REDACTED]

GENERAL COMM EQUIPMENT [REDACTED]

GENERAL COMM SERVICE [REDACTED]

INSURANCE [REDACTED]

MEALS AND ENTERTAINMENT EXPENSE [REDACTED]

MISCELLANEOUS [REDACTED]

OFFICE EXPENSE [REDACTED]

PAYROLL ADMINISTRATION [REDACTED]

POSTAGE [REDACTED]

SAFETY & SECURITY [REDACTED]

SEMINARS & SUBSCRIPTIONS [REDACTED]

TRANSPORTATION [REDACTED]

TRAVEL [REDACTED]

UTILITIES [REDACTED]

WORKERS COMP INSURANCE [REDACTED]

TOTAL \$ [REDACTED]

2009

NAVITAS UTILITY CORPORATION

STATEMENT 4
FORM 1120S, SCHEDULE A, LINE 5
OTHER COSTS

PAYROLL TAXES \$ [REDACTED]
SERVICES
TOTAL \$ [REDACTED]

STATEMENT 5
FORM 1120S, SCHEDULE K, LINE 12A
CHARITABLE CONTRIBUTIONS

CASH CONTRIBUTIONS - 50% LIMITATION \$ [REDACTED]
TOTAL \$ [REDACTED]

STATEMENT 6
FORM 1120S, SCHEDULE K, LINE 16C
NONDEDUCTIBLE EXPENSES

DISALLOWED MEALS AND ENTERTAINMENT \$ [REDACTED]
PENALTIES
TOTAL \$ [REDACTED]

STATEMENT 7
FORM 1120S, SCHEDULE L, LINE 6
OTHER CURRENT ASSETS

	BEGINNING	ENDING
PREPAIDS	\$ [REDACTED]	\$ [REDACTED]
TOTAL	\$ [REDACTED]	\$ [REDACTED]

STATEMENT 8
FORM 1120S, SCHEDULE L, LINE 9
OTHER INVESTMENTS

	BEGINNING	ENDING
INVESTMENT IN NAVITAS ASSETS, LLC	\$ [REDACTED]	\$ [REDACTED]
TOTAL	\$ [REDACTED]	\$ [REDACTED]

STATEMENT 9
FORM 1120S, SCHEDULE M-1, LINE 3
EXPENSES ON BOOKS NOT ON SCHEDULE K

AMORTIZATION \$ [REDACTED]
PENALTIES
TOTAL \$ [REDACTED]

2009

FEDERAL STATEMENTS

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PAGE 3

NAVITAS UTILITY CORPORATION

STATEMENT 10
FORM 1120S, SCHEDULE M-1, LINE 5
INCOME ON BOOKS NOT ON SCHEDULE K

PASS-THRU PARTNERSHIP INCOME

TOTAL \$
\$

STATEMENT 11
FORM 1120S, SCHEDULE M-2, COLUMN A, LINE 3
OTHER ADDITIONS

INTEREST INCOME

TOTAL \$
\$

STATEMENT 12
FORM 1120S, SCHEDULE M-2, COLUMN A, LINE 5
OTHER REDUCTIONS

CONTRIBUTIONS \$
DISALLOWED MEALS AND ENTERTAINMENT
PENALTIES

TOTAL \$

2009

GENERAL ELECTIONS
NAVITAS UTILITY CORPORATION

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PAGE 1

ELECTION TO NOT CLAIM ADDITIONAL DEPRECIATION

PURSUANT TO IRC SECTION 168(K) (2) (D) (III), THE CORPORATION HEREBY ELECTS TO NOT CLAIM THE ADDITIONAL DEPRECIATION DEDUCTION FOR THE FOLLOWING CLASSES OF PROPERTY IN THE TAX YEAR ENDED 12/31/09.

3 YEAR CLASS, 5 YEAR CLASS

OKLAHOMA SMALL BUSINESS CORPORATION INCOME TAX RETURN



Form 512-S 2009

This form must be filed on or before the 15th day of the third month after the close of the taxable year.

For the year January 1 - December 31, 2009, or other taxable year beginning _____, 2009 ending _____

Amended Return
If this is an Amended Return, check here

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Corporate Name:
NAVITAS UTILITY CORPORATION
Street Address:
18218 EAST MCDURMMOTT, SUITE I
City, State and Zip:
IRVINE, CA 92614

Telephone No. and Area Code: **949-955-2887** Date of Incorporation: **5/17/2006** Under the Laws of: **NEVADA**

A Federal ID No. [REDACTED] B Business Code No. **221210**
C Type of Business **UTILITY OPERATOR** D If this is a final return, please check here:

Part 1: Tax Computation Schedule for Nonresident Shareholders Who Do Not File a Nonresident Shareholder Agreement (512-SA)

1 a	Nonresident share of income from Page 4, Part 5, column 7	1 a	[REDACTED]
1 b	Nonresident share of deductions (see instructions)	1 b	[REDACTED]
1	Nonresident share of taxable income (line 1a minus line 1b)	1	[REDACTED]
2	Tax: 6% of line 1	2	[REDACTED]
3	Other Credits (see instructions) (enclose Form 511CR)	3	[REDACTED]
4	Balance of tax due (line 2 less line 3, but not less than zero)	4	[REDACTED]
5	Amount paid on 2009 estimate (i.e. Form(s) OW-8-ESC)	5	[REDACTED]
6	Amount paid with extension request	6	[REDACTED]
7	Oklahoma withholding (enclose Form 1099, 500-A, 500-B or other withholding stmt)	7	[REDACTED]
8	Total credits (add lines 5, 6 and 7)	8	[REDACTED]
9	Overpayment (line 8 minus line 4)	9	[REDACTED]
10	Amount of line 9 to be credited on 2010 estimated tax	10	[REDACTED]
11	Donations from your refund (total from line 11 instructions) ()	11	[REDACTED]
12	Total (add lines 10 and 11)	12	[REDACTED]
13	Amount of line 9 to be refunded to you (line 9 minus line 12)	Refund	13 [REDACTED]

Line 11 instructions provide you with the opportunity to make a financial gift from your refund to a variety of Oklahoma organizations. Please place the line number of the organization from line 11 instructions in the space below. If you give to more than one organization, please put a '99' in the space and attach a schedule showing how you would like your donation split.

Want a Faster Refund? Elect to have your refund directly deposited into your checking or savings account. Only one refund can be deposited per account per tax season. For more information, see instructions.

Is this refund going to or through an account that is located outside of the United States? Yes No
(See instructions to see if you qualify for Direct Deposit)
Deposit my refund in my: checking account savings account
Routing Number: _____
Account Number: _____

14	Tax due (line 4 minus line 8)	Tax Due	14
15	Underpayment of estimated tax interest (enclose Form OW-8-P)		15
16	For delinquent payment: Add penalty of 5% \$ _____ plus interest of 1.25% per month \$ _____		16
17	Total tax, penalty and interest (add lines 14, 15 and 16)	Balance Due	17 [REDACTED]

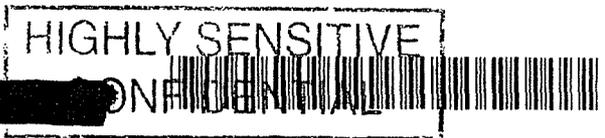
If the Oklahoma Tax Commission may discuss this return with your tax preparer, please check here:
Under penalties of perjury, I declare that I have examined this return, including any accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete. If prepared by person other than the taxpayer, his/her declaration is based on all information of which preparer has any knowledge.

Make check payable to the Oklahoma Tax Commission

Corporate Seal	Signature of Officer _____ Date _____	Signature of Preparer _____ Date _____
	Printed Name of Officer _____	Preparer's Address HBC CPAS & ADVISORS
	Title _____	1401 HEALTH CENTER PKWY
	PRESIDENT	YUKON, OK 73099-6492
	Area Code and Phone Number	(405) 848-7797

The Oklahoma Tax Commission is not required to give actual notice to taxpayers of changes in any state tax law.

NAVITAS UTILITY CORPORATION



PART 2: ORDINARY INCOME FROM TRADE OR BUSINESS

Complete Column A. Column B should be completed by S Corporations whose income is all within Oklahoma and/or by those whose income is partly within and partly without Oklahoma (not of a unitary nature).
CAUTION: Include only trade or business income and expenses on lines 1a through 21 below.

		Column A As reported on Federal Return	Column B Total applicable to Oklahoma
1	a Gross receipts or sales \$ [REDACTED]	[REDACTED]	[REDACTED]
	b Minus returns and allowances \$ [REDACTED]	[REDACTED]	[REDACTED]
2	Cost of goods sold and/or operations	[REDACTED]	[REDACTED]
3	Gross profit (subtract line 2 from line 1)	[REDACTED]	[REDACTED]
4	Net gain (loss) (Form 4797 Part II, line 17)	[REDACTED]	[REDACTED]
5	Other income (loss) (enclose schedule). SEE STATEMENT 1	[REDACTED]	[REDACTED]
6	Total income (loss) (add lines 3 through 5)	[REDACTED]	[REDACTED]
7	Compensation of officers	[REDACTED]	[REDACTED]
8	Salaries and wages	[REDACTED]	[REDACTED]
9	Repairs and maintenance	[REDACTED]	[REDACTED]
10	Bad debts	[REDACTED]	[REDACTED]
11	Rent	[REDACTED]	[REDACTED]
12	Taxes and licenses	[REDACTED]	[REDACTED]
13	Interest	[REDACTED]	[REDACTED]
14	Depreciation	[REDACTED]	[REDACTED]
15	Depletion (do not deduct oil and gas depletion)	[REDACTED]	[REDACTED]
16	Advertising	[REDACTED]	[REDACTED]
17	Pension, profit-sharing, etc plans	[REDACTED]	[REDACTED]
18	Employee benefit programs	[REDACTED]	[REDACTED]
19	Other deductions (enclose schedule) SEE STATEMENT 2	[REDACTED]	[REDACTED]
20	Total deductions (add lines 7 through 19)	[REDACTED]	[REDACTED]
21	Ordinary Income (Loss) from trade or business: Subtract line 20 from line 6. Enter here and below on Part 3, line 1.	[REDACTED]	[REDACTED]

PART 3: SHAREHOLDERS' PRO RATA SHARE ITEMS

		Column A As reported on Federal Return	Column B Total applicable to Oklahoma
Income (lines 1 through 11)			
1	Ordinary income (loss) from trade or business (from above on Part 2, line 21)	[REDACTED]	[REDACTED]
2	Net income (loss) from rental estate activity(ies) (enclose schedule)	[REDACTED]	[REDACTED]
3	Net income (loss) from other rental activity(ies) (enclose schedule)	[REDACTED]	[REDACTED]
4	Interest income	[REDACTED]	[REDACTED]
	a Interest on loans, notes, mortgages, bonds, etc	[REDACTED]	[REDACTED]
	b Interest on obligations of a state or political subdivision	[REDACTED]	[REDACTED]
	c Interest on obligations of the United States	[REDACTED]	[REDACTED]
	d Other interest income	[REDACTED]	[REDACTED]
5	Dividend income	[REDACTED]	[REDACTED]
6	Royalties	[REDACTED]	[REDACTED]
7	Net short-term capital gain (loss) (Schedule D, 1120-S)	[REDACTED]	[REDACTED]
8	Net long-term capital gain (loss) (Schedule D, 1120-S)	[REDACTED]	[REDACTED]
9	Net gain (loss) under Section 1231 (other than due to casualty or theft)	[REDACTED]	[REDACTED]
10	Other (enclose schedule)	[REDACTED]	[REDACTED]
11	Total income (add lines 1 through 10)	[REDACTED]	[REDACTED]
Deductions (lines 12 through 17)			
12	Section 179 deduction (enclose schedule)	[REDACTED]	[REDACTED]
13	Contributions	[REDACTED]	[REDACTED]
14	Deductions related to portfolio income	[REDACTED]	[REDACTED]
15	Intangible drilling costs	[REDACTED]	[REDACTED]
16	Other deductions authorized by law (enclose schedule)	[REDACTED]	[REDACTED]
17	Total Deductions (add lines 12 through 16)	[REDACTED]	[REDACTED]
Total (line 18)			
18	Net distributable income (line 11 minus line 17)	[REDACTED]	[REDACTED]

Just enclose a copy of Federal return
 federal and Oklahoma distributable net incomes are the same, please see instructions.

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Form 512-S Page 3

NAVITAS UTILITY CORPORATION



**PART 4: COMPUTATION OF OKLAHOMA TAXABLE INCOME OF A UNITARY ENTERPRISE
WHOSE INCOME IS PARTLY WITHIN AND PARTLY WITHOUT OKLAHOMA**

1	Net distributable income from Page 2, Part 3, Column A, line 18		1
2	Add:		
a	Taxes based on income	2a	
b	Unallowable deduction (enclose schedule)	2b	
c	Other income (enclose schedule)	2c	
d	Total of lines 2a through 2c		2d
3	Deduct all items separately allocated:		
a	Interest on obligations of the United States	3a	
b		3b	
c		3c	
d	Total of lines 3a through 3c <small>(Note: Items listed in 2 and 3 above must be net amounts supported by schedules showing source, location, expenses, etc.)</small>		3d
4	Net apportionable income (line 1 plus line 2d, minus line 3d)		4
5	Oklahoma's portion thereof _____ % , from schedule below		5
6	Add items separately allocated to Oklahoma:		
a		6a	
b		6b	
c		6c	
d		6d	
e	Total of lines 6a through 6d		6e
7	Oklahoma net distributable income (add lines 5 and 6e; enter here and on Page 2, Part 3, Column B, line 18)		7

APPORTIONMENT FORMULA

	Column A Total Within Oklahoma	Column B Total Within and Without Oklahoma	A divided by B Percent Within Oklahoma
1 Value of real and tangible personal property used in the unitary business (by averaging the values at the beginning and ending of the tax period):			
a Owned property (at original cost):			
(I) Inventories			
(II) Depreciable property			
(III) Land			
(IV) Total of section 'a'			
b Rented property (capitalize at 8 times net rental paid)			
c Total of sections 'a' and 'b' above	\$	\$	%
2a Payroll			
b Less: Officer's salaries			
c Total (subtract officer salaries from payroll)	\$	\$	%
3 Sales:			
a Sales delivered or shipped to Oklahoma purchasers:			
(I) Shipped from outside Oklahoma			
(II) Shipped from within Oklahoma			
b Sales shipped from Oklahoma to:			
(I) The United States Government			
(II) Purchasers in a state or country where the corporation is not taxable (i.e., under Public Law 86-272)			
c Total of sections 'a' and 'b'	\$	\$	%
4 If Revenue, Traffic Units or Miles Traveled is used rather than Sales, indicate here:			
5 Total percent (sum of items 1, 2 and 3)			%
6 Average percent (1/3 of total percent) (Carry to Part 4, line 5 above)			%

Note: Enclose a complete copy of your Federal return.

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PART 5 – SHAREHOLDERS' PRO RATA SHARE OF INCOME

1 Name and address of shareholder	Check if non-resident	2 SSN or FIN	3 Number of Shares	4 Shareholders applicable %	5 Net distributive income as reported on federal return (Part 3, Column A, line 18, times Part 5, Column 4**)
(a) SEE DISTRIBUTION OF					
(b) INCOME WORKSHEET					
(c)					
(d)					
(e)					
(f)					

6 Share of Oklahoma net distributable income (Part 3, Column B, line 18 times Part 5, Column 4**)	7 If nonresident agreement (Form 512-SA) is NOT attached, check box and enter the amount shown in column 6. The S corporation will be taxed on the income reported in this column.	8 Allowable Oil and Gas Depletion (Federal)	9 Allowable Oil and Gas Depletion (Oklahoma)	10 Shareholder's portion of Oklahoma credit or withholding	11 Type of Credit or Withholding
(a)	<input type="checkbox"/>				
(b)	<input type="checkbox"/>				
(c)	<input type="checkbox"/>				
(d)	<input type="checkbox"/>				
(e)	<input type="checkbox"/>				
(f)	<input type="checkbox"/>				
0.		← Total: Nonresident share of income to tax (add amounts shown in column 7). Enter here and on Page 1, Part 1, line 1a			

****NOTE:** The amount shown in Part 3, Column B, line 18, Oklahoma net distributable income, may not be the amount to be entered on the shareholders Oklahoma income tax return. This amount includes all allowable shareholders income, losses, and deductions. Some of these items may be limited on the Federal return. If these items are allowed in full or part on your Federal income tax return, they will be allowed to the same extent on your Oklahoma return.

Enclose a copy of your Federal return.

PART 6 – ADDITIONAL INFORMATION

- 1 Kind of Business: UTILITY OPERATOR
- 2 Is this return on cash or accrual basis? ACCRUAL
- 3 Name of Business (if different from that of corporation): _____
- 4 Corporation books are kept by: NAVITAS UTILITY CORPORATION
- 5 Address at which books are kept: 18218 EAST MCDURMMOTT, SUITE I IRVINE CA 92614
- 6 Date business began in Oklahoma: 1/01/2007
- 7 Did you make a return of information on Oklahoma Forms 500, 500-A or 500-B for the calendar year 2009?
(The Forms 500/500-A may be filed in lieu of the Federal Form 1099)
(The Form 500-B is filed when there is a distribution to a nonresident shareholder) yes no
- 8 Were you notified this year of a change in your Federal taxable income for prior year(s)? yes no
If you answered 'yes' to #8, please list the year(s) here: _____
- 9 Did you file amended returns for the years stated above? yes no

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Name NAVITAS UTILITY CORPORATION	Employer Identification Number
-------------------------------------	------------------------------------

PART V SHAREHOLDERS DISTRIBUTION OF INCOME (continued)

1. Name and address of shareholder	✓ NR	2. Social security no.	3. Number of shares	4. Shareholders applicable %	5. Net distributive income as reported on Federal return (part 3, column A, line 18, times part 5, column 4**)
THOMAS HARTLINE 18218 EAST MCDURMMOTT SUITE I IRVINE, CA 92614	<input checked="" type="checkbox"/>				
RICHARD VARNER 18218 EAST MCDURMMOTT SUITE I IRVINE, CA 92614	<input checked="" type="checkbox"/>				
	<input type="checkbox"/>				
	<input type="checkbox"/>				
	<input type="checkbox"/>				
	<input type="checkbox"/>				
	<input type="checkbox"/>				
	<input type="checkbox"/>				
	<input type="checkbox"/>				
	<input type="checkbox"/>				

CONTINUATION OF PART V					
6 Share of Oklahoma net distributable income (Part 3, Column B, line 18 times Part 5, Column 4**)	7 If nonresident agreement (Form 512-SA) is NOT attached, check box and enter the amount shown in column 6. The S corporation will be taxed on the income reported in this column.	8 Allowable Oil and Gas Depletion (Federal)	9 Allowable Oil and Gas Depletion (Oklahoma)	10 Shareholder's portion of Oklahoma credit or withholding	11 Type of Credit or Withholding
	<input type="checkbox"/>				
	<input type="checkbox"/>				
	<input type="checkbox"/>				
	<input type="checkbox"/>				
	<input type="checkbox"/>				
	<input type="checkbox"/>				
	<input type="checkbox"/>				
	<input type="checkbox"/>				
	<input type="checkbox"/>				
0.	← Total: Nonresident share of income to tax (add amounts shown in column 7). Enter here and on Page 1, Part 1, line 1a				

NAVITAS UTILITY CORPORATION

STATEMENT 1
FORM 512-S, PAGE 2, PART II
LINE 5 - OTHER INCOME

ORD. INC. (LOSS) FROM PASS-THROUGH ENTITY \$ [REDACTED]
OTHER INCOME
TOTAL \$ [REDACTED]

STATEMENT 2
FORM 512-S, PAGE 2, PART II
LINE 19, OTHER DEDUCTIONS

ACCOUNTING \$ [REDACTED]
AMORTIZATION
AUTO AND TRUCK EXPENSE
BANK CHARGES
BUSINESS DEVELOPMENT COSTS
COMPANY PROMOTIONS
CONSULTATION FEES
DUES AND SUBSCRIPTIONS
FACILITIES EXPENSE
GENERAL COMM EQUIPMENT
GENERAL COMM SERVICE
INSURANCE
MEALS AND ENTERTAINMENT EXPENSE
MISCELLANEOUS
OFFICE EXPENSE
PAYROLL ADMINISTRATION
POSTAGE
SAFETY & SECURITY
SEMINARS & SUBSCRIPTIONS
TRANSPORTATION
TRAVEL
UTILITIES
WORKERS COMP INSURANCE
TOTAL \$ [REDACTED]

REDACTED
CONFIDENTIAL MATERIAL

Exhibit 3

Amendment to Asset Purchase Agreement, between
Debtor and Navitas Assets, LLC,

Schedule 2(f)

Assumed Contracts – Jellico System

No.	Contract	Cure Amount
1	Natural Gas Sales Agreement dated January 14, 2004 2003, between Seller and Delgasco, Inc. Delgasco, Inc. holds ██████ Deposit.	██████████
2.		

Assumed Contracts-Albany, Byrdstown and Fentress Utilities

No.	Contract	Cure Amount
1	Base Contract for Sale and Purchase of Natural Gas with Eagle Energy Partners, L.P., NAESG Standard Form April 19, 2002	None
2.	Transportation Agreement effective date September 2, 2010d _____, between Seller and B&W Pipeline, LLC The Titan Energy Group. (To be entered into after approval of Bankruptcy Court).	None
3.	Spectra Energy, successor to East Tennessee Natural Gas Company, Firm Transportation Agreement, Contract # 410061R2, dated September 24, 2007, with November 1, 2007 Exhibit and Termination Date October 31, 2010 Spectra Energy, successor to East Tennessee Natural Gas Company Firm Transportation Agreement, Contract # 17202R2, dated September 24, 2007, with November 1, 2007 Exhibit and Termination Date October 31, 2010 Spectra Energy, successor to East Tennessee Natural Gas Company Contract No. 7800, Balancing Agreement, date approximately November, 1994, and Amendment No. 1 Effective January 1, 1995 Spectra Energy is holding deposit of ██████████	None
	Gas Purchase Agreement between Gasco, Inc. and Arnco Oil Company, Irvin Arnold, Contract Number TN -0010 Fentress, and Amendment	None

	Commonwealth of Kentucky, Transportation Cabinet, Utility Relocation-Engineering Services, Keep Cost Contract Pursuant to KRS 179.265 (with respect to Albany Utility) Entered post-petition pursuant to Order of Bankruptcy Court entered December 23, 2009. Assigned to the extent that the contract is not otherwise fully performed. (Debtor to retain rights of reimbursement under Contract.)	None

In addition, Mid-Western Oil & Exploration, as Grantee, has assigned all of its rights under that certain Contract Right of Way dated March 27, 1985 with Estel Lee, as original Grantor, to Seller. [Such right of way is not filed of record and is subject to an annual fee of [REDACTED] per year, payable to the current landowner, Roger Grider, located at Route 4, Box 60, Albany, Kentucky 42602. The annual fee has been paid for 2010 but has not been paid for 2009.

TRANSPORTATION AGREEMENT

This Transportation Agreement is made and entered into this ___ day of October, 2010 (this "Agreement") and effective as of September 2, 2010 (the "Effective Date"), by and between B&W Pipeline, LLC ("B&W") and Gasco Distribution Systems, Inc., ("GASCO"). B&W and GASCO are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, B&W owns and operates a natural gas pipeline in Pickett, Fentress and Morgan Counties, Tennessee commonly known as the B&W Pipeline (the "Pipeline"); and

WHEREAS, B&W will accept natural gas into the Pipeline at the East Tennessee Gas Pipeline Spectra Energy Meter Station 59157, Morgan County Number 3 (the "Primary Receipt Point"); and

WHEREAS, the Pipeline is capable of delivering natural gas to the delivery points specified in Exhibit A (collectively referred to as the "Delivery Points"); and

WHEREAS, GASCO desires to transport certain volumes of natural gas on the Pipeline with delivery to occur at the Delivery Points;

NOW THEREFORE, in consideration of the foregoing and the mutual agreements, covenants, representation, warranties and promises set forth herein, the Parties mutually agree as follows:

1. SCOPE OF DELIVERY

B&W agrees to accept and receive injections of natural gas for GASCO or its agents at the Receipt Point (as hereafter defined) and to transport such natural gas to the Delivery Points. B&W agrees to operate the Pipeline in accordance with Prudent Industry Practices and to transport GASCO's gas on a firm basis. For purposes hereof, "Prudent Industry Practices" means the exercise of that degree of skill, diligence, prudence and foresight that would reasonably and ordinarily be expected from a skilled and experienced pipeline operator in the United States engaged in the same type of undertaking.

2. DAILY DELIVERIES

(a) Volume. B&W agrees to accept and transport on a firm basis up to [REDACTED] of natural gas on a daily basis necessary for GASCO to service the requirements of GASCO's utility systems described in Exhibit A (the "Daily Contract Quantity"), excluding shrinkage volumes.

Any volumes received in excess of the Daily Contract Quantity shall be transported on an interruptible basis.

(b) Receipt Points. In addition to the Primary Receipt Point, B&W shall be entitled, upon thirty (30) days' prior notice to GASCO, to transport volumes of gas for GASCO's account from alternate receipt points; provided that, the following requirements are satisfied with respect to each such alternate receipt points: (i) GASCO is able to purchase natural gas to be delivered at such receipt point, (ii) such purchase is from a "first purchaser" of gas, (iii) such purchase is documented in a standard form Base Contract for Sale and Purchase of Natural Gas as published by the North American Energy Standards Board, Inc. ("NAESB") in form and substance acceptable to GASCO, and (iv) the price of any such gas is determined monthly based upon the spot gas price at the Henry Hub price at the beginning of each month. The notice regarding alternative receipt points from B&W shall identify the location of any such alternative receipt point and the equipment and process for reversing the flow (if applicable) of the Pipeline. Any such receipt point meeting the foregoing parameters, along with the Primary Receipt Point shall be collectively referred to herein as the "Receipt Point".

(c) Nominations. At least five (5) days prior to the beginning of any month, GASCO will notify B&W in writing of its intent to ship volumes on the Pipeline and will provide an estimate of the volumes of gas in MCFs to be transported on a daily basis during the calendar month.

(d) Changes to Nominations. GASCO has the right to change its nominated volume to be transported during the month on a daily basis. It is GASCO's responsibility to notify producers, B&W, and connecting pipelines regarding any change in transportation volumes. B&W will accept GASCO's nominations as such may change from time to time in accordance with its agreements with its suppliers. In no event is B&W obligated to deliver to GASCO more than [REDACTED] a day. Nothing in this Agreement is intended or shall be deemed to obligate B&W to redeliver any gas to GASCO if GASCO has not previously caused an equal volume of gas to be injected into the Pipeline in accordance with this Agreement.

(e) Specifications. B&W shall publish on its website or deliver to GASCO the required specifications (the "Specifications") of natural gas to be injected into the Pipeline, including the Pipeline's requirements with respect to natural gas quality, pressure and odorization. GASCO shall deliver gas at the Receipt Point which conforms to the Specifications.

3. TERM OF AGREEMENT

(a) Initial Term. This Agreement shall become effective on the Effective Date and shall continue for a period of five years (the "Initial Term").

(b) Renewal. Not later than 60 days prior to the expiration of the Initial Term, the Parties may mutually agree to renew this Agreement for an additional term on such terms as the

Parties may mutually agree (the "Renewal Term"). The Initial Term together with any Renewal Term shall be the "Term."

4. RATE

The rate for transporting volumes on the Pipeline from the Receipt Point to the Delivery Points shall be [REDACTED] per MCF (the "MCF Rate"). In the event that the Pipeline ever becomes subject to the jurisdiction of any regulatory authority, the Parties will endeavor to achieve a regulated rate equal to the MCF Rate. The rate shall be applied to volumes delivered to each Delivery Point and each invoice shall designate the Delivery Point for all volumes.

5. SHRINKAGE

B&W will retain ten percent (10.0%) of all volumes delivered to B&W on GASCO's behalf for shrinkage, which shall be allocated based on volumes delivered to each Delivery Point. This shrinkage rate shall be subject to the approval of any applicable state regulatory authority and may be increased or decreased to some greater or lower percentage by such regulatory authorities. Notwithstanding the foregoing, the Parties agree that the shrinkage rate shall not be reduced below the current ten percent (10%) rate until there is a specific ruling by any such regulator authority requiring such reduction.

6. BALANCING OF VOLUMES

The Parties shall endeavor to maintain the volume of gas injected at the Receipt Point in continuous balance with the volume of gas discharged at the Delivery Points. The Parties acknowledge, however, that operational imbalances may occur from time to time. In order to reconcile any such imbalances, GASCO's account will be reviewed at the end of each month and any imbalance shall be corrected in the following month. If the net imbalance is such that GASCO has received more gas than was delivered to B&W during the period under review, GASCO shall be billed for such excess based on the daily MCF Rate. If the net imbalance is such that GASCO has received less gas than was delivered to B&W, other than the shrinkage as described in Section 5, then GASCO will be credited or paid an amount equal to the excess volumes at the daily MCF Rate. In lieu of payment, either Party may correct the imbalance with equivalent volumes of gas.

7. POSSESSION OF GAS

After GASCO delivers gas or causes gas to be delivered to B&W at the Receipt Point and subject to Section 2 and Section 5, B&W shall be deemed to be in control and possession of the gas until it is redelivered to GASCO at the Delivery Point. GASCO shall have no responsibility with respect to any gas deliverable to B&W or on account of anything which may be done, happen or arise, with respect to such gas until B&W delivers such gas to GASCO at the Delivery Point(s) or for the account of GASCO. B&W shall have no responsibility with respect to such gas before GASCO delivers such gas to B&W at the Receipt Point or after B&W redelivers such gas to GASCO at the Delivery Point(s) or on account of anything which may be done, happen or arise

with respect to such gas before such delivery or after such redelivery. B&W may commingle gas for delivery to GASCO with other volumes in its possession that conform to the Specifications.

8. WARRANTY OF TITLE TO GAS

GASCO warrants that it will have title to the gas at all times during transport on the Pipeline. GASCO will indemnify B&W and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any or all persons to said gas, including claims for any royalties, taxes, license fees or charges applicable to such gas or to the delivery thereof to B&W for transportation.

9. BILLING AND PAYMENT

(a) Statement. After adjusting for shrinkage as described in Section 5, on or before the fifth day of each calendar month following commencement of deliveries, or as soon thereafter as practicable based upon the availability of measurement information, B&W will deliver to GASCO a statement showing the amount of natural gas delivered for GASCO's account during the previous Month at each Delivery Point. The statement will be delivered to GASCO at the address and in the form specified in Section 10. To assist B&W in preparing its statement, GASCO will provide volumetric data from its gas suppliers to B&W promptly after receipt of the same.

(b) Payment. Within fifteen days of receipt of the statement, GASCO will remit to B&W the full amount of payment to B&W.

(c) Disputed Payments. If any portion of either the quantities delivered or the price pertaining to any quantity delivered is disputed by GASCO, the portion not in dispute will be paid promptly to B&W. Both Parties agree to work in good faith to expeditiously resolve any billing disputes.

(d) Calibration. The accuracy of measuring equipment shall be verified at reasonable intervals in accordance with Prudent Industry Practices or when requested by either Party by a test to be conducted by the Party named by B&W that owns such equipment, using methods generally accepted in the gas industry. The Parties acknowledge that Spectra Energy, (not B&W), owns the meter at the Primary Receipt Point, and GASCO owns, or will install meters at the Delivery Points. The Parties acknowledge that B&W has no other meters measuring the flow of gas from the Primary Receipt Point to the Delivery Points. The Party performing the test shall notify the other Party sufficiently in advance of the test to permit a representative to be present. All tests shall be made at the expense of the Party performing the test, provided, however, that the Party requesting a test which is less than 180 days from the date of a prior test on the same meter shall bear the expense if any inaccuracy in the equipment is not greater than plus or minus two percent (2%).

(e) Inaccuracies. If upon testing any measuring equipment is found to be inaccurate by plus or minus two percent (2%) or less, previous records of such equipment shall be considered

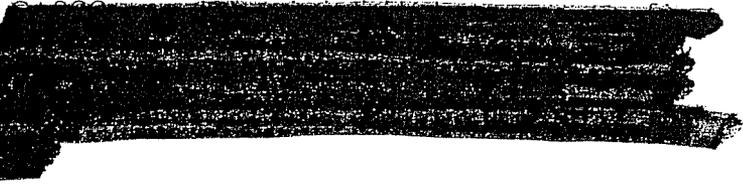
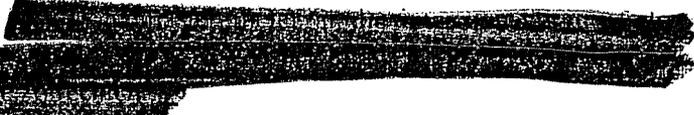
EXHIBIT A

GASCO UTILITIES AND DELIVERY POINTS

1. Albany System located in Clinton County, Kentucky.
2. Byrdstown System located in Pickett County, Tennessee
3. Fentress System located in Fentress County, Tennessee

DELIVERY POINTS

The Delivery Points are as follows:

1. Fentress Utility System: 
2. Byrdstown Utility System: 
3. Albany Utility System: 

GASCO at its own expense may move an existing meter but not add additional meters on the Pipeline without B&W written consent which may be withheld in its sole discretion.

EXHIBIT B

Gasco Distribution Systems, Inc.
44445 East Pike
Zanesville, OH 43701

METER SITE AGREEMENT

FOR AND IN CONSIDERATION OF [redacted] Dollars for a meter site on the premises herein described to be paid upon execution of the meter site agreement, 1044 Red Hill Church Road, Byrds town, Tennessee 38549

(hereinafter called Grantor), do hereby give, grant, and convey unto Gasco Distribution Systems, Inc., 4445 East Pike, Zanesville, Ohio 43701 (hereinafter called Grantee), its successors and assigns, the right to install, operate, maintain, repair and remove a meter site, for measurement of natural gas through a pipeline, with the right of ingress and egress to and from such meter site, lands of Grantor being situated in:

County of Pickett, State of Tennessee, and bounded as follows:

- On the North by: Red Hill Church
On the East by: Mullins Road, Cummings
On the South by: Clayton Lee
On the West by: Highway 111

Said meter site being located on property known as: [redacted]

The meter shall be installed at an agreed location, which has been staked and shall not be relocated without the consent of Grantor, but will be relocated at the request of the Grantor in the same manner as provided for in an easement of even date.

The Grantor shall fully use and enjoy the above described lands except for the purposes herein granted to the Grantee. The Grantee hereby agrees to pay any damages which might arise from the installation of said meter site.

The payment hereunder shall be made by the Grantee to the Grantor by check made payable to Daniel C. Beaty who is hereby authorized to receive and accept receipt for the same.

It is understood that this grant contains and expresses all the agreements and obligations of the parties hereto and no covenant agreement or obligation not expressed herein shall be imposed on the Grantor and Grantee, their heirs, successors and assigns.

IN WITNESS WHEREOF, the undersigned have executed this instrument as of this 3 day of Sept, 2010

Daniel C. Beaty
Daniel Beaty

STATE OF TN
COUNTY OF Pickett

On this 3 day of Sept, 2010 before me, a Notary Public in and for said County personally appeared the said Daniel Beaty who acknowledged that he/she, did sign and seal the foregoing instrument and that it is his/her free act and deed.

WITNESS my hand and official seal, the day and year aforesaid.

[Signature]
Notary Public
Circular Notary Seal: LETHA M. MCGURDY, NOTARY PUBLIC, PICKETT COUNTY, TENNESSEE

REDACTED
CONFIDENTIAL MATERIAL

**HIGHLY SENSITIVE
CONFIDENTIAL**

**NAVITAS UTILITY CORPORATION
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009**

Includes Independent Auditor's Report Issued By



NAVITAS UTILITY CORPORATION
 BALANCE SHEET
 DECEMBER 31, 2009

HIGHLY SENSITIVE
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ASSETS

Current assets:

Cash in bank
 Receivable from affiliated entity
 Inventory
 Prepaids and other assets
 Total current assets

\$ [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

Property and equipment:

Autos and pickups
 Trucks
 Heavy equipment
 Tools and other small equipment
 Office equipment
 Leasehold improvements
 Meters and regulators
 Accumulated depreciation
 Property and equipment, net

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

Other non-current assets:

Organizational and related costs, net of accumulated amortization of \$11,151
 Investment in affiliated entity

[REDACTED]
 [REDACTED]

Total assets

\$ [REDACTED]

LIABILITIES & STOCKHOLDERS' EQUITY

Current liabilities:

Accounts payable and other accrued expenses
 Payable to affiliated entity
 Current portion of long-term debt
 Total current liabilities

\$ [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

Long-term debt, less current portion

[REDACTED]

Stockholders' equity:

Common stock, \$100 par value, 1,500 shares
 authorized, 660 issued and outstanding
 Retained earnings
 Total stockholders' equity

[REDACTED]
 [REDACTED]
 [REDACTED]

Total liabilities and stockholders' equity

\$ [REDACTED]

See accompanying notes

NAVITAS UTILITY CORPORATION
 STATEMENTS OF INCOME AND RETAINED EARNINGS
 YEAR ENDED DECEMBER 31, 2009

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Revenue:	
Service crews	\$ [REDACTED]
Commodity sales	[REDACTED]
Construction crews	[REDACTED]
Other	[REDACTED]
Total revenue	[REDACTED]
Cost of goods sold:	
Commodity marketing and transport	[REDACTED]
Gross profit	[REDACTED]
Operating expenses:	
Direct costs	[REDACTED]
Depreciation and amortization	[REDACTED]
General expenses	[REDACTED]
Office expenses	[REDACTED]
Other business expenses	[REDACTED]
Total operating expenses	[REDACTED]
Operating income	[REDACTED]
Other income (expense):	
Earnings from investment in affiliated company	[REDACTED]
Interest expense	[REDACTED]
Total other income (expense)	[REDACTED]
Net income	[REDACTED]
Retained earnings, beginning	[REDACTED]
Retained earnings, ending	\$ [REDACTED]

See accompanying notes

NAVITAS UTILITY CORPORATION
 STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2009

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OPERATING ACTIVITIES

Net Income
 Adjustments to reconcile net income
 to net cash provided by operations:
 Depreciation and amortization
 (Increases) decreases in:
 Receivable from affiliated entity
 Inventory
 Prepays and other assets
 Increases (decreases) in:
 Accounts payable and accrued expenses
 Payable to affiliated entity
 Net cash provided by operating activities

\$ [REDACTED]
 [REDACTED]

INVESTING ACTIVITIES

Purchase of property and equipment
 Investment in affiliated entity
 Returns from affiliated entity
 Net cash provided by investing activities

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

FINANCING ACTIVITIES

Proceeds from long-term debt
 Repayment of notes payable
 Repayment of long-term debt
 Net cash provided by financing activities

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

Net cash increase for year

[REDACTED]

Cash, beginning of year

[REDACTED]

Cash, end of year

\$ [REDACTED]

See accompanying notes

NAVITAS UTILITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

HIGHLY SENSITIVE
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(1) Summary of Significant Accounting Policies (continued)

Recently issued accounting updates – In June 2009, the Financial Accounting Standards Board ("FASB") established the FASB Accounting Standards Codification, which does not change generally accepted accounting principles but does change the way we reference authoritative accounting principles in our consolidated financial statements.

Subsequent events – We have accounted for subsequent events through June 23, 2010, the date our consolidated financial statements were issued, and we believe that all required subsequent events disclosures have been made.

(3) Investment in Limited Liability Company

We are the managing member and a fifteen percent interest holder in Navitas Assets, LLC (NALLC), a limited liability company. NALLC primarily operates to acquire relatively small, operating, rural assets and secondarily pursues the development of energy projects. NALLC currently owns over 1,000 miles of regulated distribution pipeline as well as certain unregulated transmission assets. We provides service assistance and perform construction for NALLC. Summarized financial information for NALLC is as follows:

Current assets	
Property & equipment	
Other assets	
	\$
Current liabilities	
Long-term liabilities	
Members' equity	
	\$
Net income	\$

(4) Long-Term Debt

We have equipment loans with banks that total [REDACTED] interest rates range from 1.9 to 6.90%. Principal and interest payments total [REDACTED] month. The notes have a five-year term and are secured by the equipment financed.

We have vehicle loans with a finance company that total [REDACTED] interest rates range from 0 to 1.9%. Principal and interest payments on these notes total [REDACTED] per month. The notes have a five-year term and are secured by the vehicles financed.

NAVITAS UTILITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

(4) Long-Term Debt (continued)

Principal maturities are as follows:

2010	[REDACTED]
2011	[REDACTED]
2012	[REDACTED]
2013	[REDACTED]
2014	[REDACTED]
Thereafter	-

(6) Commitments

On June 1, 2007 we entered into a three-year agreement with Enogex, Inc. for the intrastate transportation of natural gas to the NALLC transmission points in western Oklahoma. The minimum annual value of this contract is [REDACTED]

(7) Transactions With Affiliates and Related Parties

We control fifteen percent of the member units of Navitas Assets, LLC (NALLC), and our shareholders also control member units of NALLC. The majority of our revenues are for services and construction performed for NALLC. During the course of our operations, we bill and are charged for products and services and sometimes we advance and receive money for cash flow needs. At December 31, 2009, we have a receivable from NALLC for [REDACTED] resulting from billings for goods and services and they are required to pay interest of WSJ prime +2% on the unpaid balance. We also have a liability to NALLC for [REDACTED] for which repayment terms have not been set.

We sub-lease office space in Irvine, California from one of our shareholders. Our lease payments on this lease are [REDACTED] per month and the term of the lease is twelve months.

Our shareholders have guaranteed some of our debt.